

# ASK THE PROFESSIONAL



## Sue Jones on Real Estate

**Sue Jones is a REALTOR as well as Owner/Partner of Keller Williams Real Estate, Doylestown Office.**

**Experience:** Sue's experience spans over 30 years, providing professional help to both buyers and sellers in our local market.

**Designations/Memberships:** Holding the coveted GRI designation - Graduate of the Realtor Institute; Memberships in the National, Pennsylvania and Bucks County Association of Realtors.

**Education:** Sue feels that ongoing "fine tuning" of the ever-changing regulations, laws and procedures that guide the professional REALTOR to properly represent the public and which shape the Real Estate Industry are of the utmost importance, and this is her pledge and commitment.

**Why Real Estate as a Career?** When asked "What made you choose Real Estate as a career?" Sue answered "I wanted to be in a helping field and decided that Real Estate offered that, helping people with their most important investment."

By: Sue Jones,  
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KELLER WILLIAMS  
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### 2018 Homeownership Tax Deductions

**Q: Dear Sue, Can you explain the recent changes to mortgage tax deductions? - H and N**

**A:** Yes, definitely. Please read below to help understand these recent changes.

### How the Tax Reform Affects All Homeowners

This article is provided courtesy of 1040.com - See their Tax Reform 101 guide for information on 2018 tax filing.

If this is your first home, you are looking forward to your annual tax deductions. If it's not your first home, you take your tax deduction for granted, correct? Well, hold on. There's a bit more to know about tax reform, especially because of the Tax Cuts & Jobs Act of 2017 (TCJA).

### Deducting your mortgage interest

In tax year 2018, single and married couples filing jointly can deduct the interest they pay on up to \$750,000 of new mortgage debt; for married couples filing separately, the limit is \$375,000. The TCJA reduced these amounts from the respective \$1,000,000 limit and \$500,000 limit, but the mortgage interest deduction is still a pretty significant tax break.

Mortgage loans that started before 12/15/2017 aren't being affected by the new, lower deduction limit—at least until 2026. Even if you refinance that debt, you're still good.

You are also grandfathered into the old limits if you had a written, binding contract by 12/15/2017 to close on a home by 1/1/2018, as long as you purchased by 4/1/2018. This "grandfathering" of prior commitments is common with tax law changes.

### Deducting home equity loan interest

Another big change: In prior years, you could deduct interest on home equity loans and lines of credit up to \$100,000, no matter what you used the loan proceeds for.

The deduction can be claimed if the loan or credit line is used specifically to build, buy, or substantially improve your home and your total mortgage debt must be under \$750K to deduct the entire amount. If your debt exceeds that amount, you can only deduct a percentage of the interest.

For anyone planning their next major home improvement project, a home equity line is still a great option. However, if you're looking to use a home equity line to consolidate debt (car loans, credit card debt, etc.) at a lower interest rate, the tax benefit for that type of borrowing is no longer available.

### Deducting mortgage insurance premiums

While this deduction was retroactively extended through 2017, as of now, you won't be able to deduct your mortgage insurance premiums on your 2018 tax return.

Congress could technically extend the deduction again, but that's unlikely; fewer taxpayers will need to claim itemized deductions, since the new standard deduction is so much higher—so there's not a strong case to extend it.

### Deducting mortgage points

Think of mortgage points as interest paid on the front end; they are charged before you take out the mortgage but count toward your overall interest. Since points count toward interest, they are also deductible if you itemize. However, the new limit on the mortgage interest deduction applies to points as well. You can see more requirements for point eligibility at the IRS website.

**SUE JONES** REALTOR, GRI  
Owner/Partner

*'I have 30+ years experience  
bringing Buyers and Sellers together'*  
**Featured Listing**



**305 Belmont Avenue, Doylestown Borough**  
**\$1,089,000**

Additional Photos/Details at [www.305BelmontAvenue.com](http://www.305BelmontAvenue.com)

- New Custom Home by CCR Builders, LLC
  - 4 Bedroom, 3 ½ Bath
  - Open Floor Plan
  - Exquisite Detailing
- Sidewalk Connected to Historic Downtown

Call Sue Direct for Your Private Preview: 215.262.4422

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