



..... CERTIFIED PUBLIC ACCOUNTANT .....

The IRS has some good news for taxpayers who are selling their home. When filing their taxes, they may qualify to exclude all or part of any gain from the sale from their income. Here are some things that homeowners should think about when selling a home:

**Ownership & Use:** To claim the exclusion, the taxpayer must meet ownership and use tests. During a 5 year period ending on the date of the sale, the homeowner must have owned the home and lived in it as their main home for at least 2 years.

**Gains:** Taxpayers who sell their main home and have a gain from the sale may be able to exclude up to \$250,000 of that gain from their income. Taxpayers who file a joint return with their spouse may be able to exclude up to \$500,000.

**Losses:** Some taxpayers experience a loss when their main home sells for less than what they paid for it. This loss is not deductible.

#### Reported sale

Taxpayers who don't qualify to exclude all of the taxable gain from their income must report the gain from the sale of their home when they file their tax return. Anyone who chooses not to claim the exclusion must report the taxable gain on their tax return.

Taxpayers who receive Form 1099-S must report the sale on their tax return even if they have no taxable gain.

and the excluded gain on the sale.