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Q: I just sold my home. Are there any tax provisions to help mitigate my liability this year?

A: Yes, up to \$250,000 for single filers and \$500,000 for joint filers can be excluded from capital gains in the year of sale, provided you meet certain requirements.

Q: What are those requirements?

A: You must own and use the home as your principal (primary) residence for 2 of the 5 years prior to the date of the sale. Additionally, a taxpayer may not claim the exclusion within 2 years after the date of a sale for which they claimed an exclusion.

Q: What items can I deduct from my proceeds in calculating my gain/loss?

A: The original cost of the home, improvements, selling costs (commission, conveyance taxes, closing costs). If a taxpayer contracts to have their house built, cost of labor and materials, contractors and architects fees, permit charges.

Q: I have sold my home at a large loss, and meet the holding and ownership requirements. Does this loss mitigate my tax burden?

A: No, Congress does not allow losses on personal-use property. Please note, however, that taxpayers still must report this disallowed loss on form 8949, or they will likely be sent a notice from the IRS (the IRS receives Form 1099-S, reporting the proceeds from the sale).