Homeowners could previously take an unlimited deduction in their state and local taxes (SALT) paid. The new tax law caps the SALT deduction at $10,000 for both single returns and joint-filing couples. The unlimited SALT deduction was often a reason homeowners itemized and helped them receive higher tax benefits than their renting counterparts.

Under the new tax law, single homeowners will often find it easier to get tax benefits than married homeowners. This marriage penalty comes from new changes to the law, especially the standard deduction increase. Despite incurring the same home-related costs as a single homeowner, married homeowners’ deduction threshold is significantly higher.

### 1. STANDARD DEDUCTION INCREASE

The standard deduction for both single individuals and married couples nearly doubled under the new tax law. Previously, homeowners were more likely to itemize due to the mortgage interest and property tax deductions associated with owning a home. Itemized deductions give homeowners added tax benefits. Now that the standard amount is higher, it will take a lot more itemized deductions to pass the standard deduction threshold and reap the tax benefit.

### 2. SALT CAP

Homeowners could previously take an unlimited deduction in their state and local taxes (SALT) paid. The new tax law caps the SALT deduction at $10,000 for both single returns and joint-filing couples. The unlimited SALT deduction was often a reason homeowners itemized and helped them receive higher tax benefits than their renting counterparts.

### 3. MARRIAGE DISADVANTAGE

Under the new tax law, single homeowners will often find it easier to get tax benefits than married homeowners. This marriage penalty comes from new changes to the law, especially the standard deduction increase. Despite incurring the same home-related costs as a single homeowner, married homeowners’ deduction threshold is significantly higher.

### WHAT YOU CAN DO

- **TALK TO A TAX PROFESSIONAL**
  Find out the exact changes you can expect this tax season.

- **TALK TO A REALTOR®**
  Understand how the tax law affects you, your community, and the outlook on homeownership.

- **TALK TO YOUR ELECTED OFFICIAL**
  Make your voice heard on policies and legislation affecting homeownership.

### 3 KEY CHANGES FOR HOMEOWNERS UNDER THE NEW TAX LAW

### THE NEW TAX LAW

- **STANDARD DEDUCTION INCREASE**
  - Old Law: $6,600
  - New Law: $12,200

- **SALT CAP**
  - Old Law: Unlimited
  - New Law: $10,000

- **MARRIAGE DISADVANTAGE**
  - Old Law: No tax differential
  - New Law: For nearly 90% of taxpayers

### SOURCES

2. The State and Local Tax Deduction. Tax Foundation
3. National Association of REALTORS®

The Tax Cuts and Jobs Act (TCJA) was the most sweeping overhaul of the U.S. tax code in 30 years. Whether you’re a new homeowner or have been one for decades, these are the three key changes to be aware of when filing.