

# 3 KEY CHANGES FOR HOMEOWNERS UNDER THE NEW TAX LAW

The Tax Cuts and Jobs Act (TCJA) was the most sweeping overhaul of the U.S. tax code in 30 years<sup>1</sup>. Whether you're a new homeowner or have been one for decades, these are the three key changes to be aware of when filing.

## 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.

	OLD LAW	NEW LAW
INDIVIDUALS	\$6,600	\$12,200
COUPLES	\$13,200	\$24,400



## 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.



No tax differential between renting and owning for nearly

**90%**  
OF TAXPAYERS

# 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.

Sources:  
<sup>1</sup> Hughes, Siobhan. "Sweeping Tax Bill Heads to Trump for His Signature." Wall Street Journal, 2017  
<sup>2</sup> The State and Local Tax Deduction, Tax Foundation  
<sup>3</sup> National Association of REALTORS®