



**IT'S THAT TIME AGAIN...**

**TAX SEASON HAS ARRIVED**

Upon the close of your real estate transaction, you should have received a form titled the "Closing Statement" or HUD-1 Settlement Statement with your closing documentation. These documents include itemization of all credits and debits for your transaction. This document is of particular importance during tax preparation as some of the expenses listed may be considered a tax deduction. These potential deductions apply if you have purchased or sold a property in the last year and also apply if you have refinanced a property that is your primary residence.

If you don't have this document handy, please feel free to contact your escrow officer for a copy. Many of the expenses listed on your Closing Statement or HUD-1 Settlement Statement are referred to as closing costs.

Some of these items that are generally considered to be tax deductions include:

- Paid real estate taxes
- Paid loan origination fee
- Private mortgage insurance costs
- Prepaid mortgage interest

Items that are generally not considered tax deductible include expenses such as title and escrow fees, real estate commission, appraisal fees, credit report fees, transfer taxes etc. It is important to consult your tax attorney or accountant in order to be certain of your eligible deductions.