If either version of the GOP tax bills is enacted, nearly 20% of Colorado homeowners who sell their home next year who are not subject to it this year. That’s how many of us have lived in our homes for more than two but less than five years.

Currently, you only need to have lived in your home for 2 of the 5 years preceding a sale to enjoy a $250,000 (single) or $500,000 (if married) exemption on capital gains. That changes to 5 of the past 8 years under both bills. For a typical $100,000 gain in value, that computes to nearly a $20,000 tax hike. (The Senate version only requires you to be under contract by Dec. 31, whereas the House version requires that you close.)

So, if you are planning to sell before you’ve lived in your current home for at least 5 years, it would be a good idea to put it on the market immediately. Fortunately, as I’ve demonstrated in previous columns, December is a pretty good month for putting a home on the market. We know how to make it happen, so call us.

Also at risk: the deductibility of property taxes, state income tax, and the mortgage interest deduction. The estate tax, which only applies to the top 0.2%, would be cut in both versions and eliminated by 2024 if the House version prevails — a billion-dollar windfall to heirs of the top 0.1%.

If you’re thinking of buying an electric or hybrid vehicle, you should do that before year end, too, because the $2,500 to $7,500 tax credit (based on battery size) is also being eliminated. It’s not too late to take delivery of a new Tesla Model S or Model X, or Chevy Volt by year’s end and get that full tax credit plus Colorado’s $5,000 credit (which does not go away in 2018). I can secure you an additional $1,000 on either Tesla model, plus free supercharging. Call me.

One Month Left to Sell Before Possible Tax Hike

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