

Putting Your Heirs on Title so They Inherit Your Home May Not Be the Best Strategy

By JIM SMITH, Realtor®

It's a common practice for seniors to add their children or other would-be heirs to the title of their home, but that well-intentioned act could end up costing those heirs increased capital gains taxes when they sell the property later on.

Let me explain.

I'm not a tax advisor or accountant, but I've learned the following. If you add an heir to the title of your home as "joint tenant with right of survivorship" and you die, the heir becomes the owner once your death certificate is filed with the county clerk and recorder. But that heir also inherits

the "basis" for your home.

The basis is what you paid for your home when you bought it, plus any capital improvements made over the years. When your heir goes to sell your home after your demise, they will be subject to capital gains tax for the increase over that basis.

Let's say you purchased your home in the 1960s or 1970s for \$30,000. It may be worth over \$500,000 now. Even if the basis is increased to \$100,000 thanks to improvements plus the cost of selling it, your heir will pay capital gains tax on \$400,000. That comes to about \$80,000 in com-

bined state and federal taxes on that \$400,000 gain.

However, if you don't add that heir to the title of your home and let him or her inherit the home through your last will and testament, the basis is stepped up to the home's value at the time of your death, and that capital gains tax liability disappears.

Talk to your tax advisor and a lawyer about this issue. It is easy to remove your heir from the title

to your home through a simple "quit claim deed." The form is widely available online.

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Renovated Townhome Close to Downtown Golden

This gorgeous 4-BR 4-bath townhome at **916 Homestake Dr.** is located in the Kinney Run townhome community, a short walk from the Colorado School of Mines and historic downtown Golden, making it a great investment opportunity. The main level features expansive hardwood flooring, new stainless steel appliances and new granite countertops in the kitchen. The main floor layout features a living room with wood-burning fireplace, dining area and family room area off the kitchen. This home has been freshly painted & features new carpeting in the upper & lower levels. Enjoy the private, north facing deck with winter views of South Table Mountain and Castle Rock. Upstairs features the master suite with updated master bath and walk-in shower as well as another large bedroom and full bath. The basement features a full bath as well as the 4th bedroom. There is a 1-car detached garage plus an adjoining parking space. View a narrated walk-thru at www.GoldenTownhome.com. To see it, call **Andrew Lesko** at 720-710-1000.



\$538,000

Arvada Home & 1,900 SF Studio with Great Gardens

Personally, I'm a big fan of quality woodworking, and this house is owned by a woodworker and his artist wife. Every room in the house at **6404 Benton Street** in Arvada features his handywork in alder, oak, cherry and other woods and her artistic touches. The updated kitchen and bathrooms also feature quartz countertops. I can't do justice to this home in the limited space available here, so please go to www.ArvidaMasterpiece.info for my narrated video walk-through of this 1,585-sq.-ft. 1½-story Cape Cod home, its 1,900-sq.-ft. studio building, and two detached 2-car garages (a total of 4 spaces) with attic, not to mention the 2/3-acre *subdividable* lot with four-season gardens! This home is a must-see for anyone interested in urban gardening as well as those in need of workshop/studio space with 240-Volt power, and certainly for anyone who loves great woodworking! Call **Chuck Brown** at 303-885-7855 for a private tour or more info.



\$725,000

Great Home on 11 Acres up Golden Gate Canyon



\$949,900

This spectacular home at **26202 Golden Gate Canyon Road** is just 6 miles or 13 minutes from downtown Golden! As you walk through the front door you will be impressed with the vaulted ceilings, open floor plan, stone fireplaces, gourmet kitchen, modern lighting and amazing views out of every window. Enjoy the spacious master suite, complete with gas fireplace, as well as a

great room and formal living with fireplace. The gourmet kitchen features a six-burner gas stove, granite countertops and 12-foot ceilings. The finished basement is a great place to watch a movie in surround sound or walk out to enjoy the expansive views after fixing your bike in the workshop. Exterior features include a shooting range (could also be a great area for horses), multiple outbuildings and an old building site with two wells (not permitted). Words cannot describe this wonderful 11-acre property. Book a showing today and come take a look, you won't be disappointed. Take a video tour (with drone video) at www.FoothillsHome.info. For more information or to arrange a private showing, call your agent or broker associate **Kristi Brunel** at 303-525-2520.

Amazing Home on 35 Acres in Golden's Foothills



\$899,000

5771 Bear Paw Rd., Golden

You won't believe the mountain and city views (all the way to DIA) from this beautiful log home in a gated community, nestled on 35 acres just 14 miles from downtown Golden, with easy access to Denver, Boulder and Eldora Ski Resort. (You can be on the slopes in 30 minutes!) This peaceful, *furnished* retreat is one of a kind, complete with a plow truck and camper for extra guests or rental. All you need to

do is move in! Buyers who offer full price and close before the end of the year will receive a free 1-year home warranty. There will be no open houses. Schedule a showing with your agent or call **Kristi Brunel** at 303-525-2520 or **Carol Milan** at 720-982-4941 for an exclusive private showing. You can find more pictures and view a drone video tour of this listing at www.FoothillsHome.info.

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