

TAX HINTS ON MOVING

We know that moving is usually a confusing time with so much to do and think about and that tax planning is probably the farthest thing from your mind. However, if you gather and record the items described below as they occur and put them in a current year's tax file, the preparation of this year's tax return will be easier than you might think.

SALE OF YOU FORMER RESIDENCE

While the current tax laws eliminate tax on the first \$ 250,000 of gain on a personal residence, the selling price and cost of your home should still be reported. Items to take into consideration in determining the cost of the home that was sold include:

- The original purchase price**
- Major improvements**
- Repair expenses necessary for sale**
- Certain closing costs**

CAUTION: IF YOU OWNED A MULTIPLE DWELLING PROPERTY, SPECIAL TAX RULES APPLY.

MOVING EXPENSES

Certain expenses of moving to a new a new home which is related to work in a new location are a deduction from income whether you itemize deductions or not.

ITEMIZED DEDUCTIONS

There are a variety of items on the closing statements of the either the house purchased or sold that are deductions even though there may not be a taxable gain.

MULTI-STATE TAX RETURNS

If you moved to New Jersey from another state, or continue to work out of state, multi-state tax returns will be required.

The above are key items to consider in the year of move. If you have particular questions or concerns, call us at (732) 244-8448 to see how we can help.