



IRS Summertime Tax Tip 2014-08: Top Ten Tax Facts if You Sell Your Home

Internal Revenue Service (IRS) sent this bulletin at 07/21/2014 09:18 AM EDT



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July 21, 2014

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Top Ten Tax Facts if You Sell Your Home

Do you know that if you sell your home and make a profit, the gain may not be taxable? That's just one key tax rule that you should know. Here are ten facts to keep in mind if you sell your home this year.

1. If you have a capital gain on the sale of your home, you may be able to exclude your gain from tax. This rule may apply if you owned and used it as your main home for at least two out of the five years before the date of sale.

2. There are exceptions to the ownership and use rules. Some exceptions apply to persons with a disability. Some apply to certain members of the military and certain government and Peace Corps workers. For details see [Publication 523](#), Selling Your Home.

3. The most gain you can exclude is \$250,000. This limit is \$500,000 for joint returns. The [Net Investment Income Tax](#) will not apply to the excluded gain.

4. If the gain is not taxable, you may not need to report the sale to the IRS on your tax return.

5. You must report the sale on your tax return if you

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can't exclude all or part of the gain. And you must report the sale if you choose not to claim the exclusion. That's also true if you get Form 1099-S, Proceeds From Real Estate Transactions. If you report the sale you should review the [Questions and Answers on the Net Investment Income Tax](#) on IRS.gov.

6. Generally, you can exclude the gain from the sale of your main home only once every two years.
7. If you own more than one home, you may only exclude the gain on the sale of your main home. Your main home usually is the home that you live in most of the time.
8. If you claimed the first-time homebuyer credit when you bought the home, special rules apply to the sale. For more on those rules see Publication 523.
9. If you sell your main home at a loss, you can't deduct it.
10. After you sell your home and move, be sure to give your new address to the IRS. You can send the IRS a completed [Form 8822](#), Change of Address, to do this.

Important note about the Premium Tax Credit. If you receive advance payment of the [Premium Tax Credit](#) in 2014 it is important that you [report changes in circumstances](#), such as changes in your income or family size, to your Health Insurance Marketplace. You should also notify the Marketplace when you move out of the area covered by your current Marketplace plan. Advance payments of the premium tax credit provide financial assistance to help you pay for the insurance you buy through the Health Insurance Marketplace. Reporting changes will help you get the proper type and amount of financial assistance so you can avoid getting too much or too little in advance.

If you still need to do your 2013 taxes, use [IRS e-file](#) to prepare and file your tax return. The tax software will do most of the hard work for you. You can use IRS e-file through Oct. 15. If you file a paper return, you may use the worksheets in Publication 523 to help you file.

For more on the sale of a home see Publication 523 on IRS.gov. You can call 800-TAX-FORM (800-829-3676) to get it by mail.

Additional IRS Resources:

- Publication 5152: Report changes to the Marketplace as they happen [English](#) | [Spanish](#)

IRS YouTube Videos:

- *Selling Your Home* – [English](#) | [Spanish](#) | [ASL](#)
- *Premium Tax Credit: Changes in Circumstances* – [English](#)
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