

## The bailout gets personal

The \$700 billion bailout bill spurred strong debates about its necessity and who would benefit should it pass. The bill, called the Emergency Stabilization Act of 2008, is now law. While most of the discussion centered around assistance to financial institutions, the act also contained benefits to taxpayers.

### Property-tax deduction even if you don't itemize

The new law extended for one year a provision that allows homeowners to deduct property taxes up to \$1,000 (\$500 for individuals) for taxpayers who don't itemize. This deduction is now available in 2008 and 2009.

### Deduction for sales tax

A tax-deduction that's attractive to Texans has been extended through 2009. Taxpayers who itemize can choose to deduct either their state and local income tax or state and local sales tax. With no income tax in the Lone Star state, this decision is an easy one.

### A tax break on forgiven mortgage debt

Forgiven mortgage debt, once considered taxable, now qualifies for tax-free status up to \$2 million of released debt on a principal residence. This measure was initially put in place for 2007-2009 and now is extended through 2012.

### Help for those caught by the AMT

The legislation also extends the so-called AMT patch--a higher amount that is exempt from the alternative minimum tax. Other provisions include several credits that lessen the chances of taxpayers being hit by the AMT in the first place.

### Energy-efficiency perks

Several tax incentives for energy-efficiency expenses have been extended as well. Some of these expired at the end of 2007; others were set to end this year. Expenditures like installing energy-saving windows, insulation, and doors qualify for

a one-time \$500 tax credit. Taxpayers can also take a 30% credit on certain solar, wind, and fuel-cell installations.

These provisions and others give you and your clients many legitimate ways to trim your tax bill. Make sure you consult with a tax expert to see how you can best take advantage of the credits and deductions available.

From: Texas Realtor