A few tax tips to save homeowners money

By Jeff Reeves
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While economists and investors can debate whether buying a home is still part of the American dream, it's undeniable that the tax code remains highly favorable to people who own instead of rent.

The easiest way for a family to get more than just the standard deduction is to claim tax breaks related to a house.

The downside is no more simple tax returns, since you'll have to itemize.

Here are seven important tax tips for homeowners to ease the process:

» **Mortgage interest is your best friend.** Taxpayers collectively get roughly $100 billion annually in mortgage interest breaks.

» **Mortgage insurance is still deductible.** There were fears that the deduction for personal mortgage insurance would fall victim to fiscal fights in Washington. However, Congress thankfully left it in place.

» **Taxes are tax deductible.** Homeowners can deduct their local and state property taxes on federal tax returns. There also may be special property tax benefits for lower-income homeowners based on your state or municipality of residence, so look into additional breaks specific to your community.

» **Qualified renovations count.** There are a number of items in the tax code that allow for tax breaks and credits. A host of items covered under residential energy efficiency can provide tax relief, including new solar panels or certain hot water heaters.

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