

TAX WORKSHEET

Am I eligible to exclude some of the proceeds from the sale of my home from my tax liability?

If you can say "Yes" to each of the following statements you may be eligible to exclude up to \$250,000 for individuals or \$500,000 for married couples (filing jointly) from the gain realized on the sale of your home. You won't be required to pay taxes on that portion of the proceeds.

Circle One

I owned the property that I sold for at least two of the last five years Yes / No

The property that I sold was my principal residence (principal residence means that you have lived there for two out of the last five years)ⁱ Yes / No

I have not taken this exclusion on another home within the last two years Yes / No

Can I file my taxes as head of household?

There can be advantages to filing your taxes as "head of household" instead of "single" or "married filing separately." The standard deduction can be higher for this category and you can take a standard deduction even if your spouse files their own return and chooses to itemize deductions. You may be eligible to claim certain credits that are not available to people filing as single or married filing separately. Finally, the income limits that reduce the amount of the credits, deductions and exemptions that you can take are higher, thereby allowing you to further reduce your taxable income and tax liability.

If you can say "Yes" to the following statements then you may be eligible to file as head of household.

Circle One

No I was not married, or was considered "unmarried,"ⁱⁱ on the last day of the year. Yes /

I have paid more than half of the costs of keeping up the main home for more than half of the year for myself and one of the following people: Yes / No

My unmarried childⁱⁱⁱ

My unmarried grandchild

The foster child who qualifies as my dependent

and has lived with me for the entire year

My married child for whom I claim an exemption or *could* claim an exemption if not for 1) a written declaration giving someone else that right or 2) a pre-1985 agreement that the noncustodial parent can claim the exemption.^{iv}

My relative for whom I claim an exemption. (This includes parents).^v

ⁱ If you have not been living in the home but your former spouse has the right to live in the house pursuant to the divorce agreement then his or her time residing in the house will count towards your residency requirement.

ⁱⁱ A married person can be considered “unmarried” if 1) they file separately, 2) they paid more than half of the cost of keeping up the house during 6 months out of the last year, 3) the spouse did not live in the house during the last 6 months of the tax year, 4) the home was the main home for you and a qualifying person (your child). If you can’t claim your child you can still be considered unmarried and file as head of household if you have allowed a noncustodial parent to claim the exemption in a written declaration, or the noncustodial parent claims the exemption in an agreement made prior to 1985 and pays at least \$600 child support.

ⁱⁱⁱ “child” includes stepchildren and adopted children.

^{iv} And, the noncustodial parent provides at least \$600 for the support of the child.

^v Parents do not need to live in the household in order to be claimed as an exemption.

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