



## Tax Reform Fact Sheet

These bills are a direct threat to consumers, homeowners and real estate businesses. Not only will millions of homeowners not benefit from the proposals, many will get a tax increase. Additionally, homeowners could lose substantial equity from the more than 10% drop in home values likely to result if either of these bills are enacted.

### What the Legislation Would Do:

- **Caps the mortgage interest deduction at \$500K for new mortgages (*Senate: no new cap*)**
  - Cap applies to new mortgage debt (but not refinancing) incurred after November 2, 2017. Limit *is not indexed to inflation* causing its value to even further diminish over time.
- **Increases the standard deduction (raise to \$12K for individuals, \$24K for joint filers)**
  - Puts homeownership tax incentives beyond the reach of more than 90% of American families.
- **Eliminates the personal exemption (\$4,050 per eligible member)**
- **Limits the exemption on Capital Gains Tax from the sale of a primary residence**
  - New rules would require homeowners to live in their home for 5 of 8 years before a sale to qualify for the exemption, versus just 2 of previous 5 years today. This will create a hardship to homeowners who have to move inside that five-year window. Exemption phases out for single filers with incomes over \$250K (\$500K for joint returns).
- **Caps property tax deductions at \$10K (*Senate: eliminates completely*)**
- **Eliminates the deduction for home equity loans**
- **Eliminates the deduction for state and local income or sales taxes**
- **Eliminates the Mortgage Interest Deduction for second homes (*Senate: doesn't eliminate*)**
- **Eliminates the deduction for moving expenses**
- **Eliminates the deduction on interest on student loans (*Senate: doesn't eliminate*)**
- **Eliminates the deduction for medical expenses, even for the elderly (*Senate: doesn't eliminate*)**

- **Eliminates the deduction for personal casualty losses, such as from hurricanes or wildfires**  
*(Senate: modifies)*

All this from a bill that is supposed to improve the current system. Not only is this legislation a clear and present danger to American homeownership, it will cost our children and grandchildren \$1.5 trillion in new federal debt.

- Millions of middle class homeowners would see a tax hike under this plan.
- This plan attacks homeownership and sticks future generations with a \$1.5 trillion price tag.
- America's homeowners should not pay for corporate tax cuts.
- Hard-working homeowners will lose money when their home values fall, while corporations will get a huge tax break.
- Homeowners in all 50 states would be double-taxed on the money they pay for state/local taxes.
- If you buy a home and then have to move within 5 years, you could be hit with a big tax bill under this plan.