

# WALDOW'S WORDS

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## Hidden Treasure

Tax day is just around the corner, and many homeowners forget that they're sitting on a wealth of potential savings — in their home. Tax deductions for homeowners are plentiful, so keep these guidelines in mind as you prepare your return this year.

First, know that if you deduct home expenses, you have to file form 1040 (also known as the long form) and itemize your deductions on Schedule A. While it can be a headache, the rewards might be worth it.

Remember that the mortgage on your home is deductible — at least the real estate taxes, qualifying interest and premiums, for a loan up to \$1 million, according to the IRS. Note that fire or homeowner's insurance premiums and the principal mortgage amount are not deductible. Here's how to

calculate what's deductible: Enter your total real estate taxes for the year, and enter the number of days in the property tax year that you owned the property. Divide the number of days by 366, and multiply that number by your total real estate taxes for the year.

Paid off your mortgage early? The penalty you might have received is tax deductible as home mortgage interest, as long as it's not for a specific service performed or a cost connected with your mortgage loan.

You may have heard that home repairs can qualify for tax deductions, but home improvements are the real winners. An improvement is classified as anything that adds to the value

of the home — for instance, making a room handicapped accessible or adding a deck to the back of your home. Always keep receipts and records — and remember, if you borrowed money for that improvement, the interest on the loan is tax deductible, just as it is with the mortgage payments.

Another item many homeowners forget is deductions for loan origination fees, better known as "points." One point is equal to 1 percent of your loan. Depending on how many points you've accumulated, you may be eligible to deduct them. There are rules about deducting points, but a financial professional can help you sort through them.

And finally, don't forget that if you upgraded to energy-efficient Energy Star windows, stoves or water heaters, those may be eligible for a tax credit. Check [www.energystar.gov](http://www.energystar.gov) to see if your improvements are included. As always, consult your accountant.

## INSIGHTS AND INFORMATION FOR THE HOME OWNER

Dear Friends,

**"Indoors, or out, no one relaxes in March, that month of wind and taxes, the wind will presently disappear, the taxes will last all year." Ogden Nash**

Elaine M. Waldow

Ph.D, R(S), ABR, CRS,  
ePRO, GRI, SRES

Kama'aina Properties,  
Inc.

808-283-8938

[www.MauiHomeFinder.com](http://www.MauiHomeFinder.com)

[ElaineWaldow@cs.com](mailto:ElaineWaldow@cs.com)

## APP ORCHARD

Buying or selling your house? There's an app for that. Well, not exactly, but there's plenty of high-tech help available to guide you through the process.

Get real-time mortgage rates from hundreds of lenders nationwide with the **Mortgage Marvel** app. The **RulerPhone** app lets you use your iPhone as a tape measure to see if your couch will fit in your prospective new home. The **ExpertVideo: Home Repair** app brings valuable home repair how-to videos to the palm of your hand. Keep home improvements and routine maintenance tasks organized with the **Homeowner Calendar** app. Find all these apps at [www.apple.com/iphone/appstore](http://www.apple.com/iphone/appstore).

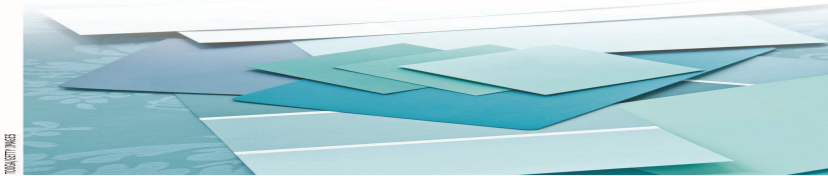
## LIVING COLOR

The leading expert in color, Pantone, Inc., has made it official: Turquoise is the “it” color for 2010. But before you deck the house from top to bottom in the gemstone hue, consider the other latest color trends.

Behr paint company says neutral is still in — think light colors such as grays, camels and off-whites. Experts suggest buying bigger furniture such as sofas or armchairs in these safe colors, which never truly go out of style. Complement neutrals with aqua and gold tones, but stay away from darker browns, which are becoming passé.

While monochromatic schemes are still versatile and dependable, HGTV says the real winners in the color game right now are bold jewel colors such as ruby red or emerald green, and the brighter the better — especially if it’s a purple hue. Experts advise pairing these daring tones with a smoky charcoal or a softer black to give a room a vintage feel.

Going green and getting back to nature is a major trend, too. Earthier tones, such as sand or yellow-greens, are perfect for living rooms or kitchens. But going back to your roots doesn’t just mean dipping into Mother Earth’s favorite colors. Decorators say Asian-inspired or tribal patterns are adorning decorative elements as consumers look to get the most bang for their buck. Think pillows, area rugs or murals as key items this season.



### fast fact>> >>

The Labrador Retriever has held the top spot for Most Popular Dog in America for the past 18 years.



Do you know someone who is thinking about buying or selling a home?  
PLEASE MENTION MY NAME.

Elaine M. Waldow, R(S), ABR, CRS, GRI, SRES  
Kama’aina Properties, Inc.  
2008 Main Street  
Wailuku, HI 96793  
ElaineWaldow@cs.com  
www.MauiHomeFinder.com