

# HOMEOWNER'S GUIDE TO TAX-DEDUCTIBLE IMPROVEMENTS

## BEFORE YOU FILE

Remember to review potential tax law changes impacting homeowner deductions and consult with a tax professional to confirm project eligibility and requirements.



### Capital improvement projects

#### Actions:

- Determine if your project qualifies as a capital improvement.
- Keep records of all qualifying expenses to adjust your home's cost basis.
- Review [IRS Publication 523](#) and [Topic No. 701](#) for details.

#### Example projects:

- Install a new HVAC system.
- Add attic insulation.
- Build a new deck or patio.



### Energy-efficient upgrades

#### Actions:

- Check eligibility for the [Energy Efficiency Home Improvement Credit](#).
- Understand credit limits for different upgrades.
- Review [Notice 2023-59](#) for details.

#### Example projects:

- Conduct a home energy audit.
- Upgrade to ENERGY STAR certified windows or doors.
- Install biomass stoves that meet Energy Star requirements.



## Clean energy upgrades

### Actions:

- Review eligibility for the [Residential Clean Energy Credit](#).

### Example projects:

- Install a solar water heater.
  - Install geothermal heat pumps.
  - Leverage battery storage technology.
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## Casualty, disaster, and theft losses

### Actions:

- Determine if your loss qualifies under [IRS Publication 547](#).
- Calculate the amount of loss via a professional appraisal or through the cost of necessary repairs.

### Example projects:

- Repairing your home from fire damage (not arson).
  - Repairing roof damage from wind, hail, or falling trees.
  - Repairing home damage during a presidentially declared disaster.
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## Historic home upgrades

### Actions:

- Check eligibility for the [Rehabilitation Tax Credit](#).
- Confirm that renovations align with historic preservation standards.

### Example projects:

- Upgrade or replace old pipes.
- Replace deteriorated parts to the original standard.
- Home safety upgrades, like new stairs that are up to code.



## Medically necessary upgrades

### Actions:

- Verify eligibility under [IRS Publication 502](#).
- Determine how improvements impact home value.

### Example projects:

- Install systems that can alert those with a disability.
  - Grade or level the ground to improve accessibility.
  - Add bathroom grab bars or railings to reduce fall risks.
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## Home office repairs and improvements

### Actions:

- Confirm that your home office meets [IRS requirements](#) for deductions.

### Example projects:

- Install a full home security system to protect business assets.
  - Repairing damaged outlets and wiring.
  - Replace your home office windows.
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## Rental property repairs

### Actions:

- Ensure repair expenses qualify for deductions under [Topic No. 414](#), [Topic No. 415](#), and [Publication 527](#).
- Maintain records of rental-related repair costs and improvements.

### Example projects:

- Fix leaks to prevent mold or mildew.
- Address air leaks and update weatherstripping.
- Check and maintain air vents for improved airflow.