



## **Keep Log of Home Repairs**

by Mary Deibel

Keeping a journal of your home's major expenses is a wise idea, whether the house is old or new and whether you're selling or staying put:

- From a tax standpoint, the \$250,000-a-taxpayer exemption for home sale profits, or \$500,000 for couples, was supposed to eliminate paperwork. But it hasn't.
- Even modest homes owned for more than a few years may see a hefty appreciation in price in today's hot market that could push you above the tax-free profit total and subject you to capital gains taxes unless you can document major improvements you made to the house on top of the price you originally paid.
- Unless it's your first house you're selling, you have to document all the profits you rolled over from previous homes under the old federal tax rules into the house you're selling now to show the Internal Revenue Service that you don't owe capital gains tax.
- Prospective buyers will expect information about when additions were put on and major improvements were made.
- Even if you're not selling the house now, a house journal that records your appliance dealers, contractors and warranty information is a handy reference for repairs or future work. Future owners will appreciate the references, too.