

WHAT IF I HAVE BOUGHT, SOLD OR REFINANCED REAL PROPERTY?

All three of these types of transactions may have tax consequences. The consequences will also vary depending on whether the property sold was a personal residence, or income (rental) or investment property. Here is the information I need:

NOTE: The HUD-1 referred to is the form showing where all the money for the transaction came from and where it went, including loans and all fees. Be careful to obtain the final settlement as there will often be a similar document issued earlier in the escrow process entitled "Good Faith Estimate" which **is not** the final settlement statement.

PERSONAL RESIDENCE

Purchased

1. Copy of Form HUD-1 for each loan (or equivalent settlement statement)
2. Form 1098s from each lender to whom you made a payment showing points and interest paid.
3. If not paid through an impound account, a record of property taxes paid.

Sold

1. Copy of Form HUD-1 (or equivalent settlement statement)
2. Form 1098s from each lender to whom you made a payment showing points and interest paid.
3. If not paid through an impound account, a record of property taxes paid.
4. Information on whether the home was ever used for business, how long the taxpayer owned it and how long it was used as a personal residence.

Refinanced

1. Copy of Form HUD-1 for each loan (or equivalent settlement statement) for the refinance.
2. Form 1098s from each lender to whom you made a payment showing points and interest paid.
3. If not paid through an impound account, a record of property taxes paid.
4. If the loan paid off was also a refinanced loan, bring a copy of the HUD-1 (or equivalent settlement statement) from when the paid off loan first closed.

INCOME(rental) OR INVESTMENT PROPERTY

Purchased

1. Copy of Form HUD-1 for each loan (or equivalent settlement statement)
2. Form 1098s from each lender to whom you made a payment showing points and interest paid.
3. If not paid through an impound account, a record of property taxes paid.
4. Associated income and expenses – [click here](#).

Sold

1. Copy of Form HUD-1 (or equivalent settlement statement)
2. Form 1098s from each lender to whom you made a payment showing points and interest paid.
3. If not paid through an impound account, a record of property taxes paid.
4. Associated income and expenses – [click here](#).
5. A record of prior depreciation taken since the property was placed into service.
6. A record of the cost of all improvements made to the property which were not deducted in past years as current operating expenses.

Refinanced

1. Copy of Form HUD-1 for each loan (or equivalent settlement statement)
2. Form 1098s from each lender to whom you made a payment showing points and interest paid.
3. If not paid through an impound account, a record of property taxes paid.
4. If the loan paid off was also a refinanced loan, bring a copy of the HUD-1 (or equivalent settlement statement) from when the paid off loan first closed.
5. Associated income and expenses – [click here](#).