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Home Mortgage Interest Deduction is Pure Poetry

American taxpayers may worry they'll lose their most hallowed deductions like [home mortgage interest](#), charitable contributions, state taxes or pension plan contributions. Given how ingrained the mortgage interest deduction is in the American psyche, I doubt that one will go. Besides, the U.S. housing market has already had to contend with a great deal of turmoil.



The [mortgage meltdown](#) and plummeting house prices doused cold water on the American dream. Are we ready for a chop to the mortgage deduction? [Not really](#). The American my-home-is-my-castle mentality is enshrined in the tax code.

The home mortgage interest deduction may be the biggest item but it isn't the only one. The deduction for property taxes is also important. In fact, the tax code's subsidy of home ownership is so important it's deserving of poetry:

Housing and taxes, there's a hand in glove fit;
And if the glove fits, you never acquit!
Come one and come all, in your own house you'll sit;

How much will it cost you? You'll pay just a bit!
Homeownership's tax perks are steeped in our lore;
Tax laws favor owners, right down to the core.
Keep buying new houses, it's never a chore.
American homestead? But wait, there's still more!
Deduct all your interest, your property tax, too.
Uncle Sam will help pay, yes, he'll see you through.
No one would still rent if they had half a clue.
And so it all went—till we got subprime flu.
Then Bad Lenders swooped down, with a teaser loan rate;
They tricked us to buy, so now we're irate.
“These loans are so bad, we thought they'd be great.”
“And now we can't pay, so what is our fate?”
COD income? Boy, that sounds unfair;
It surely would make all in housing despair;
Just default on your loan, repay don't you dare!
Foreclose and forget, for the devil may care!
Yet when debt is canceled, there's tax you must pay.
When your debt is discharged, a tax comes your way;
But Congress said, “No, there'll be no tax today;
We'll just wipe the slate clean, no tax cost, Hooray!”
Congress the fixer rushed in like a white knight;
“If loan rates go climbing, we won't let them bite;
Real soon you'll be happy, no more rate hikes in sight.
We'll pass legislation to make it all right!”

For more, see:

[12 Tax Scams to Avoid Like the Plague](#)

[Turning Down Pay Doesn't Avoid Taxes](#)

['Sick Lawyer' Excuse Not Enough To Escape IRS Penalties](#)

[Need A Tax Receipt?](#)

[What If A Taxpayer Doesn't Have Receipts?](#)

[Avoid IRS Audit Triggers](#)

[What's Your IRS Audit Risk?](#)

[Is Failing To Issue IRS Forms 1099 Criminal?](#)

[Beware Each Form 1099!](#)

[Got A Tax Notice? Here's What To Do](#)

[IRS Allows Tax Return Do-Overs](#)

[How Much Is Your Tax Deduction Worth?](#)

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