

VILLAGE TOWNHOUSES
COOPERATIVE

Memo

To: All Cooperative Members
From: Kellie Seman, Senior Property Accountant, Legacy, LLC
Date: January 13, 2021
Re: Mortgage Interest/Real Estate Tax deduction for 2020 income taxes

As a member of a Housing Cooperative, you are entitled to a deduction for mortgage interest and real estate taxes paid by your Cooperative in 2020. The percentage shown below for interest and real estate taxes may be used if you itemize deductions on your Federal Income Taxes. The percentage for real estate taxes may be used if you claim the property tax credit on your Michigan Income Taxes.

Carrying charges are your basic monthly payments paid in 2020, exclusive of surcharges, government subsidies, late charges, initial membership, deposits, etc.

Steps to follow:

1. Enter total carrying charges paid in 2020 \$ _____
2. **Property Tax:** Multiply the amount in line 1 by 7.19% \$ _____
3. **Mortgage Interest:** Multiply the amount in line 1 by 8.79% \$ _____
4. Taxable value \$ 9,347
5. Use the amount in **line 2** as the amount of property taxes on your home when determining your 2020 Michigan Income Tax.
6. Use the amount in **line 2** as the amount of property taxes on your home and the amount in **line 3** as the amount of mortgage interest on your home when itemizing deductions for your Federal Income Tax.