



## House GOP Tax Plan Makes Owning a Home Harder

Homeownership plays a fundamental role in the pursuit of the American Dream. Yet, the House Republican tax plan erodes the benefits of homeownership by increasing its costs and making it harder to save for a down payment.

**Depressing Home Prices and Sales:** The bill reduces the cap on deducting mortgage interest payments from \$1 million loans to \$500,000, excluding about one in twenty loans.<sup>1</sup> This could drive down home values, when paired with fewer people itemizing due to the expanded standard deduction.<sup>2</sup> If the bill passes, 30 million fewer households—or about 80 percent—will claim the mortgage interest deduction next year.<sup>3</sup> The plan also makes some Americans less likely to sell their homes because it decreases how much they can earn.<sup>4</sup>

**Imposing Double Taxation on Some Homeowners:** Capping the property tax deduction at \$10,000 subjects more working families to double taxation and reduces the financial benefits of owning a home. More than 4 million people have a property tax bill greater than \$10,000.<sup>5</sup>

**Increasing Debt for College Graduates:** Forty-nine percent of homeowners who had trouble saving for a down payment cited student loan debt as a reason.<sup>6</sup> Yet, the House Republican plan removes the deduction that enables over 12 million students and graduates each year to deduct more than \$1,000 in student loan interest.<sup>7</sup>

**Rebuilding after Disasters:** Americans whose lives have been turned upside-down by natural disasters should be able to pick up the pieces and rebuild their lives. This bill stops some people from deducting on average nearly \$23,000 from property losses from disasters such as hurricanes and wildfires.<sup>8</sup>

### THE HOUSE GOP TAX PLAN

**Raises property taxes on up to 4 million people**  
by stopping state & local deduction

**Stops 12 million graduates from deducting student loan interest**

**Limits the mortgage interest deduction for 1 in 20 home buyers**

**Prevents some families with losses from natural disasters from deducting \$23K**

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<sup>1</sup> <http://nlihc.org/unitedforhomes/mortgage-maps>

<sup>2</sup> <http://www.businessinsider.com/trump-gop-tax-reform-nahb-homebuilders-housing-recession-2017-11>;  
[https://www.nytimes.com/2017/11/02/business/economy/tax-housing.html?\\_r=0](https://www.nytimes.com/2017/11/02/business/economy/tax-housing.html?_r=0)

<sup>3</sup> [http://money.cnn.com/2017/11/03/real\\_estate/mortgage-interest-deduction-cap-tax-bill/index.html](http://money.cnn.com/2017/11/03/real_estate/mortgage-interest-deduction-cap-tax-bill/index.html);  
<http://www.taxpolicycenter.org/model-estimates/mortgage-interest-deductions-current-law-and-unified-framework-nov-2017/t17-0232>; <https://www.irs.gov/pub/irs-soi/soi-a-inpd-id1703.pdf>

<sup>4</sup> [https://www.washingtonpost.com/realestate/gop-tax-proposal-contains-major-headaches-for-homeowners/2017/11/07/31a62c40-c328-11e7-afe9-4f60b5a6c4a0\\_story.html?utm\\_term=.dad60214e92](https://www.washingtonpost.com/realestate/gop-tax-proposal-contains-major-headaches-for-homeowners/2017/11/07/31a62c40-c328-11e7-afe9-4f60b5a6c4a0_story.html?utm_term=.dad60214e92)

<sup>5</sup> [http://money.cnn.com/2017/11/03/real\\_estate/mortgage-interest-deduction-cap-tax-bill/index.html](http://money.cnn.com/2017/11/03/real_estate/mortgage-interest-deduction-cap-tax-bill/index.html);  
<https://www.attomdata.com/news/home-prices-and-values/which-county-housing-markets-could-be-most-impacted-by-gop-tax-proposal/>

<sup>6</sup> <https://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers>

<sup>7</sup> JEC Democratic Staff Calculations based on data from the Internal Revenue Service

<sup>8</sup> JEC Democratic Staff Calculations based on data from the Internal Revenue Service