

What the GOP Tax Plan Means for Lamorinda Homeowners

As we move into the holiday season the GOP has provided a topic for the Thanksgiving dinner table, a new tax plan. The recently released House Republican tax bill contains significant changes that are important for Lamorinda homeowners to understand if this bill passes. Californians already face the nation's highest state income tax rate of 13.3% and when combined with the highest Federal rate of 39.6%, you end up paying income taxes of 52.9% of your income.

Under the proposal there are three changes for homeowners: First is a reduction in the amount of mortgage interest that can be deducted; Second is a new cap on property tax deductions; Third are limits to the capital gains exemption used by homeowners when they sell. Current homeowners are allowed to deduct interest paid on mortgages valued up to \$1.1 million, but the proposal cuts the cap to \$500,000 for future purchased homes. Also, the bill limits the mortgage interest deduction to only your primary residence, ending the deduction for vacation homes. For anyone with a mortgage more than \$1.0 million this would effectively cut your deduction in half. Mortgages over \$1.0 million are commonplace in Lamorinda where the average home price is now \$1.6 million.

Under the tax plan the deduction for property taxes will be capped at \$10,000. With local property tax rates close to 1.2% the proposal would effectively eliminate any deduction for assessed home value more than \$830,000. Likely the most important change, is the limitation of capital gains exemption on the sale of your home. Currently married couples can exclude up to \$500,000 in capital gains from the sale of their primary residence if they have lived in their home for two of the last five years. Under the bill the period will increase to five of the last eight years and you will begin to lose the gain exemption if the income of married couples exceeds \$500,000. Combined with the deterrent that CA Prop 13 provides to potentially selling your home (e.g. the step-up in your assessed value of your home) this provision will put further handcuffs on families looking to move up into larger homes and empty nesters looking to downsize.

Please feel free to contact us with your real estate questions - Erin at erin@MartinHomesTeam.com or Darrick at darrick@MartinHomesTeam.com.



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A fresh look at holiday décor

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Photo Amanda Eck

The centerpiece was filled with fresh tulips and greenery and a pair of faux boxwood balls sit atop gold candleholders. Again use what you have and adding simple embellishments. The only purchase I made was the dinner plates and everything else I had on hand.

The dining room and living room are not the only spaces reserved for Christmas decorating. I love adding some holiday cheer to the master bedroom. This space was full of creams, blues and soft browns. So we brought out the blue with a silk ribbon. We hung a fresh wreath on the mirror and decorated the nightstands with an ivory stocking and small wreath. We opted for faux greenery above the bed, because no one wants pine needles falling on their head while sleeping, right?

I also love having a small tree in the bedroom, especially at night. I love crawling into bed after a long day to read by the light of the tree. There is something magical about turning off all the lights, except the lights on the tree.

Last but not least is the front door. Every year I try and dream up new ideas for my front door. One year it was a trio of fresh wreaths tied with red velvet ribbon; another year it was a black and white velvet stocking filled with fresh greenery. And my favorite was from a few years ago. I choose a simple green

and white palette. Instead of the trio of wreaths I added a gold sunburst mirror to mix things up. Fresh greenery was draped over the outdoor console table and a paper mache deer was spray painted white.

I hope this inspires you to try some of these ideas in your own home and you won't be afraid to try new colors in your holiday décor. I wish you and your family all the best this holiday season.

Until next time!

As the Owner and Principal Designer of Lamorinda-based Amanda Carol Interiors, Amanda Eck believes your home's interior should be both approachable and well-appointed. She often asserts, "Beauty is a necessity."

With a distinct sense of style that mixes

contemporary and classic design she fashions spaces that are both elegant and inviting. Her design aesthetic is inspired by anything visual but especially fashion, architecture and art.

Visit <http://amandacarolinteriors.com> for more design ideas.

