

Home Sweet RV

By ANNA CHANG-YEN | Green Shoot Media

Your RV can be more than just your home away from home. Like many other types of residences, it can be claimed as a second home to qualify for a tax deduction.

The IRS considers a first or second home to be any of the following: a condominium, cooperative, mobile home, RV, house trailer or boat. The property also must have sleeping, cooking and toilet facilities.

If your RV fits the bill, the interest on the loan used to pay for the vehicle could be tax deductible.

THE COSTS

RVs that meet the criteria of home start around \$40,000 and go up into the hundreds of thousands of dollars when purchased new. Buying a used RV could provide significant savings.

All the amenities of home can be enjoyed on the road — large-screen TVs, gourmet kitchens, ample living space — for a price.

Kiplinger adds that the hidden costs of RV ownership can add up. Since many RVs get fuel mileage in the single digits, fuel can be a major expense subject to the ups and downs of the world economy. Other expenses such as off-season storage, sales tax and maintenance can increase



your costs significantly.

Nightly rates at RV parks can range from \$20 to \$70, depending on location and amenities offered.

TRENDS

The tax break may particularly come in handy for seniors. Speaking to the New York Times, Kevin Broom, director of media relations for the Recreation Vehicle Industry Association, said an estimated 750,000 to 1 million

people use RVs in retirement, and 3.6 million people ages 55 and older owned RVs in 2011.

In a 2015 survey commissioned by the industry group, 74 percent of respondents said an RV would allow them to travel affordably and frequently in retirement, and 45 percent of those surveyed who owned RVs were 55 or older.

THE BENEFITS

RVing provides those who crave the open road with a

sense of freedom, as well as a chance to see parts of the country they've never seen. Empty nesters could find themselves spending much more time together and having more opportunities to socialize with others.

RVs also can allow people to escape severe weather by traveling during their area's extremely hot or cold seasons.

Today's technology makes it possible to take many of the conveniences of home, such

REAL ESTATE 101

Do You RV?

In 2011, the Recreation Vehicle Industry Association commissioned a study by the University of Michigan to better understand who RV owners are. Among its findings:

- Approximately 8.9 million households own an RV.
- Today's typical RV owner is 48 years old, married, with an annual household income of \$62,000. RV owners are likely to own their homes.

as satellite TV and Internet, on the road.

THE RULES

You must declare a primary residence for tax purposes, which must be the home where you live most of the year. If you decide to hit the road full time, your primary residence can be your RV. If you spend most of your time in a different primary residence but frequently take trips in your RV, the RV would be considered a second home.

You may deduct interest on up to \$1.1 million in debt for your first and second homes combined. You won't be able to claim the deduction, however, if you already own a second home.



Home Sweet RV

By ANNA CHANG-YEN | Green Shoot Media

Your RV can be more than just your home away from home. Like many other types of residences, it can be claimed as a second home to qualify for a tax deduction.

The IRS considers a first or second home to be any of the following: a condominium, cooperative, mobile home, RV, house trailer or boat. The property also must have sleeping, cooking and toilet facilities.

If your RV fits the bill, the interest on the loan used to pay for the vehicle could be tax deductible.

THE COSTS

RVs that meet the criteria of home start around \$40,000 and go up into the hundreds of thousands of dollars when purchased new. Buying a used RV could provide significant savings.

All the amenities of home can be enjoyed on the road — large-screen TVs, gourmet kitchens, ample living space — for a price.

Kiplinger adds that the hidden costs of RV ownership can add up. Since many RVs get fuel mileage in the single digits, fuel can be a major expense subject to the ups and downs of the world economy. Other expenses such as off-season storage, sales tax and maintenance can increase your costs significantly.

Nightly rates at RV parks can range from \$20 to \$70, depending on location and amenities offered.

TRENDS

The tax break may particularly come in handy for seniors. Speaking to the New York Times, Kevin Broom, director of media relations for the Recreation Vehicle Industry Association, said an estimated 750,000 to 1 million people use RVs in retirement, and 3.6 million people ages 55 and older owned RVs in 2011.

In a 2015 survey commissioned by the industry group, 74 percent of respondents said an RV would allow them to travel affordably and frequently in retirement, and 45 percent of those surveyed who owned RVs were 55 or older.

THE BENEFITS

RVing provides those who crave the open road with a sense of freedom, as well as a chance to see parts of the country they've never seen. Empty nesters could find themselves spending much more time together and having more opportunities to socialize with others.

RVs also can allow people to escape severe weather by traveling during their area's extremely hot or cold seasons.

Today's technology makes it possible to take many of the conveniences of home, such as satellite TV and Internet, on the road.

THE RULES

You must declare a primary residence for tax purposes, which must be the home where you live most of the year. If you decide to hit the road full time, your primary residence can be your RV. If you spend most of your time in a different primary residence but frequently take trips in your RV, the RV would be considered a second home.

You may deduct interest on up to \$1.1 million in debt for your first and second homes combined. You won't be able to claim the deduction, however, if you already own a second home.

REAL ESTATE 101



Do You RV?

In 2011, the Recreation Vehicle Industry Association commissioned a study by the University of Michigan to better understand who RV owners are. Among its findings:

- Approximately 8.9 million households own an RV.
- Today's typical RV owner is 48 years old, married, with an annual household income of \$62,000. RV owners are likely to own their homes.

HOMESWISER GLOSSARY

Simple CS (caulk and seal): a technique for insulating and sealing exterior walls that reduces vapor diffusion through air leakage points by installing pre-cut blocks of rigid foam insulation over floor joists, sheet subfloor, and top plates before drywall is installed.

SOURCE: Energy.gov

AD SPACE