

Miami Realtors Under Pressure as Short Sale Tax Break Nears Possible End

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Getting the deal finalized and the papers signed are the goals of every Miami realtor when it comes to their [short sale properties](#), especially now with a December 31 expiration date for huge tax breaks.

Since 2007, homeowners haven't had to count unpaid mortgage debt, [principal reduction](#) or foreclosure as income on their tax returns, when they've gone through a short sale on their property. But those breaks are coming to an end when the federal Mortgage Forgiveness Debt Relief Act expires on December 31. It means borrowers who might have been spared tens of thousands of dollars in repayment, could face a large IRS bill on forgiven debt, which is counted as income. Realtors are spending more time pushing their short sale properties in an effort to help out homeowners that have already suffered enough with the housing bust.

Florida Attorney General Pushing for Extension

Florida Attorney General Pam Bondi is leading a group of state attorney generals in lobbying for an extension of the Act. In a November 20 letter to lawmakers, Bondi and Connecticut Attorney General George Jepsen said allowing the Act to expire would dilute the \$25 billion mortgage settlement made with the nation's five largest banks earlier in the year. "Unless Congress acts, all of the remaining debt relief to be provided in 2013 under the National Mortgage Settlement will likely be considered taxable income," the letter stated.

Lawmakers in Washington, worried about the impending fiscal cliff know that extending the relief could cost \$1.3 billion in lost revenue to the federal government.

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