

WEALTH PLANNING CHECKLIST:

Home Sale

Selling a home can be both exciting and overwhelming. Understanding the details of your situation today can help you plan the path toward a confident and successful tomorrow.

Essential financial steps to consider
when selling a home

The following checklist can help you gather and organize your financial matters when navigating home sale issues:

1. Home Sale Qualification

- ☐ Was your prior home your principal residence for at least 2 of the past 5 years?
- If yes, you may exclude up to \$250,000 in capital gains (\$500,000 if married filing jointly) from federal income taxes

2. Tax Considerations

- ☐ Determine whether your new and prior state taxes home sale gains differently
- ☐ Check if you'll need to file in multiple states (resident/nonresident returns)
- ☐ Review withholdings or estimated tax payments to ensure correct state allocations
- ☐ Consider deed transfer taxes or local property/sales taxes at closing
- ☐ Gather documentation for original purchase price, selling costs, and home improvements to support adjusted cost basis and calculate capital gains

3. Establishing Domicile After Sale

- ☐ Take clear steps to show your intent to reside permanently in your new state (update address, voter registration, license, etc.)
- ☐ Avoid actions that may suggest ongoing residency in your former state (utility bills, medical providers, etc.)
- ☐ Be mindful of aggressive residency audits in states like CA, CT, and NY

4. Ownership & Title Planning

- ☐ If you still own real property in another state, consider transferring it to a revocable living trust to avoid ancillary probate
- ☐ Review whether community property laws or homestead exemptions differ in your new state

5. Insurance & Risk Review

- ☐ Update or cancel homeowners' insurance on the sold property
- ☐ Secure homeowners/renter's coverage in your new state effective immediately upon move
- ☐ Review umbrella liability policy for correct address and property listings

6. Cash Flow & Closing Costs

- ☐ Estimate net proceeds from sale after mortgage payoff, commissions, and taxes
- ☐ Plan how to deploy sale proceeds (e.g., toward new purchase, investment, debt repayment)
- ☐ Account for short-term liquidity needs during the transition

7. Estate & Legal Documents

- ☐ Update estate planning documents (Will, Trusts, POAs) to align with new state law
- ☐ Confirm property titles, trusts, and beneficiary designations reflect your current state

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