

# 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.

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

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Essential financial steps to consider when selling a home

### 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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