There’s nothing quite like purchasing your first home. You’re on your own. You have a substantial financial investment.

And you now have some different tax considerations.

The big-three home-related deductions are mortgage interest, points connected with the loan, and property taxes. To claim these, you’ll have to itemize on your tax return.

The 1098 form you'll get from your lender, will list any points you paid for your mortgage. A point is 1 percent of your loan amount. The IRS allows you to deduct points when you purchase the home.

The option of itemizing on your return is not for everyone. For example, if you settle on your new home later in the year, you'll have very few deductions for mortgage interest and taxes, so it might be better to use the standard deduction amount.

**Interest on a home equity line or loan is deductible.** It doesn't matter if you used the money to buy furniture for your new house, upgrade the kitchen or purchase a car. As long as the loan is secured by your residence, is interest is deductible.

If you make any improvements to your home to alleviate a medical condition, such as the installation of a ramp or central air conditioning to alleviate allergies or asthma, these also might help boost your itemized deduction amount.

**Tax Credits for Energy Efficiency**
Tax credits are available for many types of home improvements including adding insulation, replacement windows, and certain high efficiency heating and cooling equipment.

The maximum amount of homeowner credit for all improvements combined is $500 during the two year period of the tax credit. This tax credit applies to improvements made to your primary residence beginning January 1, 2006 and now extended for a few more years.

*Ask about tax credits for appliances or renovations for medical purposes or for energy efficiency purposes.*