

Property Taxes on Grand Lodge on Peak 7 residences

Many owners have requested that there be a line item on the dues billing for property taxes that states which part of the yearly association dues is for property taxes deductible on individual income tax returns. Unfortunately, this subject is more complicated than it appears. The amount included in dues is an estimate of what the Homeowners Association expects to owe in future periods. Taxpayers may deduct the amount of tax actually paid in the tax year. In a situation like Grand Lodge on Peak 7 Owners' Association where we are periodically adding units, the estimate will not correspond to the current tax paid.

Another oddity is that the Summit County Assessor's office does not value all residences equally. Among 2 Bedroom residences, there is a slight variance on the assessed value of one residence versus another. Since the Grand Lodge on Peak 7 weeks are floating and any one owner can theoretically use any residence, we believe it is easiest and most equitable to arrive at an average property tax amount for 1 Bedroom Master and Suite residences as all ownerships are based on either a 1 Bedroom Master or a Suite, or a combination of the two. For example, a 2 Bedroom residence is made up of both the 1 Bedroom Master and the Suite.

The amounts deductible for 2011 Income Taxes is the amount paid by the Homeowners Association in 2011. The average amounts paid for 2011 on Grand Lodge on Peak 7 residences are:

| | 1 BR Master | Suite |
|----------------------------------|-------------|-------|
| Real Property Taxes Full | 56.14 | 34.12 |
| Personal Property Taxes Full | 2.05 | 1.43 |
| Real Property Taxes Biennial | 28.07 | 17.06 |
| Personal Property Taxes Biennial | 1.02 | .71 |

Another thing to consider is that the amounts paid in 2011 were for property taxes assessed in 2010. We are not able to advise you on your personal income tax preparation, but these amounts and documentation should provide enough information for you and your personal tax advisor to make an informed decision on what to deduct for 2011.

Good luck!