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The IRS has announced that the 2017 prepayment of 2018 real property taxes will be deductible on 2017 individual income tax returns ***only if the tax has been assessed in 2017***. Accordingly, homeowners in many states may not be able to deduct prepayments of 2018 real property taxes on 2017 returns. For example, if the tax assessment date for 2018 is January 1 (as in many states), the prepayment of tax by year-end would not be deductible. However, assume a county assesses property tax on July 1, 2017 for the

period of July 1, 2017 – June 30, 2018, with a first installment payment due Sept. 30, 2017 and a second installment due Jan. 31, 2018. If the taxpayer has paid the first installment in 2017, he may choose to pay the second installment on Dec. 31, 2017, and claim a deduction for this prepayment on his 2017 return. For those who have already prepaid real property, some states and localities may offer the option for a refund, but that will vary by jurisdiction.

[View IRS news release \(IR-2017-210\).](#)

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