

House Raffles: Can You Afford To Win?

Do House Raffle Winners Pay Taxes on Their Win?

If you've read [house raffle](#) blog posts on the Web then you have probably seen comments like this one from Annette W. on True Gotham:

Does the winner of the raffle have to pay taxes on the appraised value of the house that they won. For instance you purchase the \$100 raffle ticket, you win. The appraised value of the home is \$290,000. Do you have to pay taxes on the \$290,000?

And the answer to her question is...

Absolutely. Yes. You betcha!

House Raffle Winner Taxes: A Summary

Maryland's Herald-Mail?a newspaper local to the hugely successful San Mar house raffle?has a terrific article that lists tax costs involved with winning a house raffle. And this is information you can trust because it came from a certified public accountant and tax manager.

Here's a summary of what a family might have to pay after winning the \$390,000 San Mar house raffle:

\$154,687	Federal and state INCOME tax on the house
3,307	Half of the recordation and transfer taxes at closing(the non-profit arranged to split the cost)
3,204	Property taxes for the upcoming year
\$161,198	Total taxes for the 1st year of homeownership

And this is just the taxes...other typical homeowner expenses include mortgage insurance, property insurance, etc.

You can read the full article at: [Raffle ticket could lead to \\$150,000 tax bill](#)

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Other Resources:

[Raffle to Win a House: 3/12/2008 Update](#)

Psst! Are you wondering how it would add up for you if you won a house raffle? It depends on your

income, tax filing status, etc., so you would need to check with your tax advisor to be sure. ~HRS