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Here are some ways to save money on taxes:

* Mortgage interest on loans up to \$1 million is completely deductible for the year in which you pay it to buy, build or improve your principal residence plus a second home.

* Points, or loan origination fees, also are deductible no matter who pays them, the buyer or the seller.

* Most homeowners, except the wealthy and those living in high-priced markets, no longer need to worry about capital gains taxes. The exemption has been raised to \$500,000 for married couples and \$250,000 for single owners. It can be taken every two years. Homeowners should always keep all receipts of permanent home improvements and of mortgage closing costs. If you do have to pay capital gains taxes, these costs can be added to your adjusted cost basis. Consult your tax adviser for more information.

Resources:

* "Tax Information for First-Time Homeowners," IRS Publication 530, and "Selling Your Home," IRS Publication 523. Call (800) TAX-FORM to order.

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