



FIRST-TIME HOME BUYER 2009 HOUSING STIMULUS LEGISLATION TAX CREDIT FACT SHEET

(Effective for purchases on or after January 1, 2009, and before December 1, 2009)

Who is Eligible

- The \$8,000 tax credit is available for first-time home buyers only.
- The law defines a first-time home buyer as a buyer who has not owned a home during the past three years.
- All U.S. citizens who file taxes are eligible to participate in the program.

Types of Homes that Qualify for the Tax Credit

- All homes, whether single-family, townhomes or condominiums will qualify.
- However, there are several conditions:
 - The home must be used as a principal residence, and the buyer has not owned a home in the prior three years.
- The Tax Credit includes newly-constructed homes.

Income Limits

- Home buyers who file as single or head-of-household taxpayers can claim the full \$8,000 credit if their modified adjusted gross income (MAGI) is less than \$75,000.
- For married couples filing a joint return, the income limit doubles to \$150,000.
- Single or head-of-household taxpayers who earn between \$75,000 and \$95,000 are eligible to receive a **partial** first-time home buyer tax credit.
- Married couples filing jointly who earn between \$150,000 and \$170,000 are eligible to receive a **partial** first-time home buyer tax credit.
- The credit is not available for single taxpayers whose MAGI is greater than \$95,000 and married couples filing jointly with an MAGI that exceeds \$170,000.

Effective Dates for the Tax Credit

- First-time home buyers would receive a \$8,000 tax credit for the purchase of any home on or after January 1, 2009, and before December 1, 2009. To qualify, you must actually close on the sale of the home during this period.

Tax Credit is Refundable

- A refundable credit means that if you pay less than \$8,000 in federal income taxes, then the government will write you a check for the difference.
 - For example, if you owe \$5,000 in federal income taxes, you would pay nothing to the IRS and receive a \$3,000 payment from the government.
 - If you are due to receive a \$1,000 tax refund from the government, your refund would grow to \$9,000 (\$1,000 plus \$8,000 from the home buyer tax credit).

Payback Provisions

- If the home is sold within three years of purchase, entire amount of credit is recaptured on sale. Applies only to homes purchased in 2009.

Further information regarding the tax credit may be found at www.federalhousingtaxcredit.com or www.irs.gov.

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