

2009 First-Time Home Buyer Tax Credit Fact Sheet

Who is Eligible

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

Payback Provisions

- The tax credit is a true credit. It does not have to be repaid.
- The only repayment requirement is if the home owner sold the home within three years after the purchase.

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 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 with a MAGI that exceeds \$170,000.

Effective Dates for the Tax Credit

- First-time home buyers would receive an \$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).
- Buyers can take the tax credit on their 2008 or 2009 income tax return.

Types of Homes that Qualify for the Tax Credit

- All homes, whether single-family, townhomes or condominium apartments will qualify, provided that the home will be used as a principal residence and the buyer has not owned a principal residence in the prior three years. This also includes newly-constructed homes.

For more information please visit:

http://www.nahb.org/fileUpload_details.aspx?contentID=99572

<http://www.federalhousingtaxcredit.com/>