

Homebuyer's Credit from IRS

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- * There are two credits available for homebuyers:
 1. The first time homebuyer credit – Maximum credit of \$8,000
 2. The long-time resident credit– Maximum credit of \$6,500

- * Review the information below for each credit to see if you can qualify for either a maximum \$8,000 credit or a \$6,500 credit from the IRS.

- * Please contact our office for additional details and assistance receiving your credit.

1. First-time homebuyer

How does it work?

- The taxpayer receives a credit on either their 2009 or 2010 tax return of up to \$8,000.
 - For home purchases between January 1, 2009 and November 6, 2009 -can still amend 2008 to claim the credit

What home purchases qualify?

- Must be the taxpayer's primary home
 - Home must be purchased after April 8, 2008, and before April 30, 2010. Must enter into a binding contract by April 30, 2010, and close by June 30, 2010.
- The home cannot be purchased from a close relative.
- The financing for the home cannot be from tax-exempt mortgage revenue bonds.

Who qualifies?

- First-time homebuyers
 - Taxpayers who have not owned a home in the three years prior to the purchase of the home
- For homes purchased after November 6, 2009 additional restrictions apply.
 - Dependents are not eligible to claim the credit.
 - No credit is available if the purchase price of a home is more than \$800,000.
 - A purchaser must be at least 18 years of age on the date of purchase.
- For homes purchased prior to November 7, 2009
 - The taxpayer must have modified adjusted gross income under \$150,000 for married taxpayers and \$75,000 for single taxpayers to get full credit.

- If the taxpayer has modified adjusted gross income between \$150,000 – \$170,000 for married taxpayers and \$75,000 – \$95,000 for single taxpayers, the taxpayer can qualify for a reduced credit.
- For homes purchased after November 6, 2009
 - The taxpayer must have modified adjusted gross income under \$225,000 for married taxpayers and \$125,000 for single taxpayers to get full credit.
 - If the taxpayer has modified adjusted gross income between \$225,000 – \$245,000 for married taxpayers and \$125,000 – \$145,000 for single taxpayers, the taxpayer can qualify for a reduced credit.

How to figure the amount of credit?

- The credit is 10 percent of the purchase price of the home, with a maximum available credit of \$8,000 for either a single or a married taxpayer.

2. Long-time resident credit

How does it work?

- The taxpayer receives a credit on either their 2009 or 2010 tax return of up to \$6,500.

What home purchases qualify?

- Must be the taxpayer's primary home
- The home must be purchased after November 6, 2009 and before April 30, 2010.
 - Must enter into a binding contract by April 30, 2010, and close by June 30, 2010.
- The home cannot be purchased from a close relative.
- The financing for the home cannot be from tax-exempt mortgage revenue bonds.

Who qualifies?

- Must have owned and used the same home as a primary residence for at least five consecutive years of the eight-year period ending on the date of purchase of a new home as a primary residence.
- Dependents are not eligible to claim the credit.
- No credit is available if the purchase price of a home is more than \$800,000.
- A purchaser must be at least 18 years of age on the date of purchase.
- Income limits
 - The taxpayer must have modified adjusted gross income under \$225,000 for married taxpayers and \$125,000 for single taxpayers to get full credit.
 - If the taxpayer has modified adjusted gross income between \$225,000 – \$245,000 for married taxpayers and \$125,000 – \$145,000 for single taxpayers, the taxpayer can qualify for a reduced credit.

How to figure the amount of credit?

- The credit is 10 percent of the purchase price of the home, with a maximum available credit of \$6,500 for either a single or a married taxpayer.