

2010 Tax Credit Information

As part of its plan to stimulate the U.S. housing market and address the economic challenges facing our nation, Congress has passed new legislation that:

Extends the First-Time Home Buyer Tax Credit of up to \$8,000 to first-time home buyers until April 30, 2010.

Expands the credit to grant up to \$6,500 credit to current home owners purchasing a new or existing home until April 30, 2010.

Who Qualifies?

To qualify as a “first-time home buyer” the purchaser or his/her spouse may not have owned a residence during the three years prior to the purchase.

Current home owners are purchasing a home between November 7, 2009 and April 30, 2010, who have used the home being sold or vacated as a principal residence for five *consecutive* years within the last eight.

Which Properties Are Eligible?

The 2009 First-Time Home Buyer Tax Credit may be applied to primary residences, including: single-family homes, condos, townhomes, and co-ops.

How Much Will the Credit Be?

The maximum allowable credit for home buyers is \$8,000. Each home buyer’s tax credit is determined by two factors: The price of the home—the credit is equal to 10% of the purchase price of the home, up to \$8,000.

The buyer's income—single buyers with incomes up to \$75,000 and married couples with incomes up to \$150,000—may receive the maximum tax credit.

If the Buyer(s)’ Income Exceeds These Limits, Can He/She Still Get a Credit?

Yes, some buyers may still be eligible for the credit.

The credit decreases for buyers who earn between \$75,000 and \$95,000 for single buyers and between \$150,000 and \$170,000 for home buyers filing jointly. The amount of the tax credit decreases as his/her income approaches the maximum limit. Home buyers earning more than the maximum qualifying income—over \$95,000 for singles and over \$170,000 for couples are not eligible for the credit.

Will the Tax Credit Need to Be Repaid?

No. The buyer does not need to repay the tax credit, if he/she occupies the home for three years or more. However, if the property is sold during the three-year period, the credit will be recouped on the sale.

If you have specific questions or need additional information, please contact a tax professional or the Internal Revenue Service at 800-829-1040.