

Extended Homebuyer Tax Credit (effective Nov. 7, 2009)

Feature	Current Homeowner	1 st Time Homebuyer
To Qualify	Has occupied current home as principal residence for 5 consecutive years within the last 8 years, and decides to buy another home. (see note 1 below)	Has not owned a home in the past 3 years, and buys a home. (Married taxpayers are excluded if either spouse owned a home in the past 3 years)
Amount of Tax Credit	Credit is the <u>smaller</u> of: <ul style="list-style-type: none"> • \$6,500 (\$3,250 if married filing separately), or • 10% of the home purchase price 	Credit is the <u>smaller</u> of: <ul style="list-style-type: none"> • \$8,000 (\$4,000 if married filing separately), or • 10% of the home purchase price
The following (below) applies to both Current Homeowners and First-time Buyers:		
Effective Dates	<ul style="list-style-type: none"> • A <u>written, binding contract</u> must be in place <u>by</u> April 30 and <u>close</u> by June 30, 2010. 	
Income Limit (see notes 2 & 3 below)	<p><u>Full Credit</u></p> <p>Individuals: Income up to \$125,000 Joint filers: Incomes up to \$225,000</p> <p><u>Partial Credit</u></p> <p>Individuals: Income of \$125,000 - \$145,000 Joint filers: Incomes of \$225,000 - \$245,000</p> <p><small>* First-time buyers who purchased a home in 2009 and closed before Nov. 7, 2009 are subject to lower income limits</small></p>	
Eligible Property	Single-family home that will be used as a principal residence . It can also be a condominium, cooperative apartment, or other type of residence. Vacation homes and rental properties are ineligible. You cannot buy a home from a related person, which includes a spouse, ancestors (parents, grandparents, etc.), or lineal descendants (children, grandchildren, etc.) and receive the tax credit.	
Purchase Price Limitation	Maximum of \$800,000 or less. Current homeowners do not have to purchase a more expensive home to qualify for the tax credit.	
Which Tax Return Year	For help determining in which year to claim the credit (an amended 2008, 2009 or 2010 tax return), consult a qualified tax advisor.	
Recapture of Tax Credit	Buyer is not required to repay tax credit as long as he/she occupies the home for three years or more. However, if property is sold during the 3-year period, the amount of tax credit claimed by buyer will be recouped upon sale. Recapture is waived for military personnel relocating due to orders.	

Notes:

- 1 - Current homeowners (repeat buyers) with a contract in place prior to Nov. 7, 2009 will still qualify for the tax credit as long as the contract is closed between Nov. 7, 2009 and June 30, 2010.
- 2 - Income is defined as modified adjusted gross income [MAGI] on a person's federal income tax return. (for most people, MAGI will be the same as adjusted gross income [line 37] on their 1040 federal tax form.
- 3 - To calculate partial credit, consult a qualified tax advisor.
- 4 - Home must be within the United States only. U.S. Territories are excluded.
- 5 - The tax credit deadline is extended for one year after expiration date for any military personnel serving outside the U.S. for at least 90 days from Jan. 1, 2009 through April 30, 2010.
- 6 - **The above information is merely intended to provide basic information about the housing tax credit. For more specific questions regarding your situation, you are strongly encouraged to consult a qualified tax advisor, or go to the IRS web site at www.irs.gov.**