



Take advantage of the expanded and extended homebuyer tax credit

Homebuyer Tax Credit Applies to:

First-time Homebuyers

First-time homebuyers are defined as people who have not owned a home in the previous three years.

Repeat Homebuyers

Repeat homebuyers must have owned their current home at least five years. (The reduced credit would be available to all homebuyers who have been in their current residence for a consecutive five-year period in the past eight years.)

Home Price and Income Limits:

The credit applies to houses costing up to \$800,000. The tax credit applies to ten percent of the purchase price of a primary residence, and up to a maximum of \$8,000 for first-time homebuyers and a maximum of \$6,500 for existing homeowners. Income limits for people who qualify for a tax credit are far more generous than under the previous law. For single filers, the credits now phase out between \$125,000 and \$145,000 of modified adjusted gross income; for married couples, the range is \$225,000 to \$245,000. For most people, modified adjusted gross income will be the same as adjusted gross income.

Qualifications and Deadlines:

Purchase agreements must be signed by April 30, 2010, and closings must be final by June 30, 2010.

The deadline is extended by a year to April 30, 2011 for members of the military who have served outside the U.S. for at least 90 days from Jan. 1, 2009, to May 1, 2010.

How to Apply:

Taxpayers can claim the credit on their federal income tax returns. If the credit exceeds their tax bill, the government will issue a payment. Taxpayers who want immediate refunds can amend their tax returns for 2008 to claim the credit.