

HOMESTEAD CONDOMINIUMS

\$8000 First Time Homebuyer Tax Credit

Home must be purchased before Dec. 1, 2009

Below are the key points of the First Time Homebuyer Tax Credit that became law through the American Recovery and Reinvestment Act of 2009

Feature	American Recovery and Reinvestment Act of 2009
Amount of Credit	Ten Percent of the cost of home, not to exceed \$8000 <i>Examples:</i> <ul style="list-style-type: none">➤ <i>If a home costs \$65,000, the allowable credit would be \$6,500.</i>➤ <i>If a home costs \$120,000, then the allowable credit would be \$7,500.</i>
Eligible Property	Any single-family residence (including condos) that will be used as a primary residence
Income Limit	Individuals whose Form 1040 filing status is single (or head of household) are eligible for the full tax credit if their income is no more than \$75,000. Individuals who file a joint return may have no more than \$150,000 in income. The credit will be reduced for higher income borrowers on a sliding scale based upon actual income.
First time Homebuyers Only	Purchaser (and purchaser's spouse) may not have owned a principal residence in three years previous to purchase.
No Payback Requirements	The tax credit will not have to be repaid if the buyer stays in the home for at least three years
Effective Date	Eligible for homes purchased by December 1, 2009
When can the credit be claimed on tax returns	Credit may be claimed on either 2008 or 2009 federal tax returns. If 2008 returns have been previously filed, they may be amended to receive the credit in 2009. If the credit is more than their tax liability for the year, the buyer will get a refund check for the balance