

## 2009 First-Time Home Buyer Tax Credit Fact Sheet

### Who is Eligible

- The \$8,000 tax credit is available for first-time home buyers only.
- The law defines “first-time home buyer” as a buyer who has not owned a principal residence during the three-year period prior to the purchase.
- All U.S. citizens who file taxes are eligible to participate in the program.

### Payback Provisions

- The tax credit is a true credit. **It does not have to be repaid.**
- The only repayment requirement is if the home owner sold the home within three years after the purchase.

### Income Limits

- Home buyers who file as single or head-of-household taxpayers can claim the full \$8,000 credit if their modified adjusted gross income (MAGI) is less than \$75,000.
- For married couples filing a joint return, the income limit doubles to \$150,000.
- Single or head-of-household taxpayers who earn between \$75,000 and \$95,000 are eligible to receive a partial first-time home buyer tax credit.
- Married couples who earn between \$150,000 and \$170,000 are eligible to receive a partial first-time home buyer tax credit.
- The credit is not available for single taxpayers whose MAGI is greater than \$95,000 and married couples with a MAGI that exceeds \$170,000.

### Effective Dates for the Tax Credit

- First-time home buyers would receive an \$8,000 tax credit for the purchase of any home on or after January 1, 2009 and before December 1, 2009. To qualify, you must actually close on the sale of the home during this period.

### Tax Credit is Refundable

- A refundable credit means that if you pay less than \$8,000 in federal income taxes, then the government will write you a check for the difference.
- For example, if you owe \$5,000 in federal income taxes, you would pay nothing to the IRS and receive a \$3,000 payment from the government.
- If you are due to receive a \$1,000 tax refund from the government, your refund would grow to \$9,000 (\$1,000 plus \$8,000 from the home buyer tax credit).
- Buyers can take the tax credit on their 2008 or 2009 income tax return.

### Types of Homes that Qualify for the Tax Credit

- All homes, whether single-family, townhomes or condominium apartments will qualify, provided that the home will be used as a principal residence and the buyer has not owned a principal residence in the prior three years. This also includes newly-constructed homes.

For more details on the tax credit, go to [www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com)