

## What You Need to Know About the \$8,000 First Time Home Buyer Tax Credit

### Who Qualifies for the Tax Credit?

- Never owned a home
- Have not owned a home within the last **3 years**--*determined by HUD 1 date when previous home was sold*
- Purchased a home to be a primary residence between January 1 and November 30, 2009
- Owned a rental property or vacation home which was **not** used as a primary residence over the last 3 years
- If married and one person owned a home within the last 3 years, the other did not, they do **not qualify**
- If unmarried and one person owned a home within last 3 years and other did not, they can “**designate**” the tax credit to the one who is considered the FTBH.
- If parents cosign on a mortgage (and own a home) and the child is a FTBH, they are eligible for the tax credit.
- Non-US Citizens may qualify if they meet resident-alien status (IRS Pub 519)
- Revenue or Housing Bond financing are eligible for tax credits.

### Types of Properties

Primary Residence – Single family, 2-4 units (must occupy one unit) town homes, condos, manufactured homes, mobile homes and houseboats.

- New Construction – “Purchase Date” is the date the owner **occupies** the home (between Jan 1 and Nov. 30, 2009) Note: They could have owned land and are in the process of building.

### Income Limits

- \$75,000 Single Person (Partial Credit up to \$95,000)
- \$150,000 Married Couple (Partial Credit up to \$170,000)
- Based on Adjusted Gross Income (AGI) line on IRS Form 1040, 1040A or 1040EZ

### Amount of Credit

- 10% of Sales price
- Up to Maximum of \$8000
- Partial Tax Credit if income exceeds \$75,000 or \$150,000

### Repayment Tax Credit

- If sold within 3 years, the entire tax credit needs to be repaid! After 3 years, no repayment is due.

*Buyers should check with a tax advisor on how it will affect their individual tax returns.*