

Tax Credit Information

Summary of tax credit provisions enacted on November 6, 2009

First Time Home Buyers

TIME PERIOD FOR TAX CREDIT

November 6, 2009 to April 30, 2010

AMOUNT OF CREDIT

Up to \$8,000 possible
(Up to \$4,000 possible married filing separate)

DEFINITION OF ELIGIBILITY

May not have had an interest in a principal residence for 3 years prior to purchase

TERMINATION OF CREDIT

Purchases after April 30, 2010

BINDING CONTRACT RULE

So long as a written binding contract to purchase is in effect on April 30, 2010, the purchaser will have until July 1, 2010 to close.

LIMIT ON COST OF HOME PURCHASED

\$800,000

INCOME LIMITS

\$125,000 - Single | \$225,000 - Married
Additional \$20,000 phase out

ANTI-FRAUD RULE

Purchaser must attach documentation of purchase to tax return

Current Homeowners

TIME PERIOD FOR TAX CREDIT

November 6, 2009 to April 30, 2010

AMOUNT OF CREDIT

Up to \$6,500 possible
(Up to \$3,250 possible married filing separate)

DEFINITION OF ELIGIBILITY

Must have used the home sold or being sold as a principal residence for 5 of the previous 8 years

TERMINATION OF CREDIT

Purchases after April 30, 2010

BINDING CONTRACT RULE

So long as a written binding contract to purchase is in effect on April 30, 2010, the purchaser will have until July 1, 2010 to close.

LIMIT ON COST OF HOME PURCHASED

\$800,000

INCOME LIMITS

\$125,000 - Single | \$225,000 - Married
Additional \$20,000 phase out

ANTI-FRAUD RULE

Purchaser must attach documentation of purchase to tax return

Source: NAR (National Association of Realtors) Issue Brief - Homebuyer Tax Credit Changes



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