

HOME BUYER TAX CREDIT EXTENDED AND EXPANDED!

Congress has passed (and the President has signed) new legislation extending and expanding the Home buyer Tax Credit.

Here are the basics:

- Extends the First-Time Home Buyer Tax Credit of up to \$8,000 to first-time home buyers until April 30, 2010 (also, see "Deadlines For Eligibility", below)
- Expands the credit to grant up to a \$6,500 credit to current home owners purchasing a new or existing home between November 7, 2009 and April 30, 2010 (also, see "Deadlines For Eligibility", below)

Who qualifies for the extended credit?

- First-Time Home Buyers who purchase homes between November 7, 2009 and April 30, 2010.
- Current home owners purchasing a new or existing home between November 7, 2009 and April 30, 2010, who have used the home being sold or vacated as a principal residence for five consecutive years within the last eight years. This tax credit is NOT retroactive and applies only to residences purchased after the date of enactment of this extension.

What properties are eligible:

- Primary residences, including single-family homes, condos, town homes and co-ops

What is the maximum allowable credit?

- First-Time Home Buyers - \$8,000.00
- Current homeowners - \$6,500.00
- Credit may only be awarded on homes purchased for \$800,000 or less

Buyer Income Limitations:

- Single buyers with incomes up to \$125,000 and married couples with incomes up to \$225,000 may receive the maximum tax credit (these income limits have changed from the 2009 First-Time Home Buyer Tax Credit limits)
- The credit decreases (on a sliding scale) for single buyers who earn between \$125,000 and \$145,000 and between \$225,000 and \$245,000 for home buyers filing jointly.

Deadlines for eligibility:

- As long as a binding, written contract to purchase is fully executed by April 30, 2010, the purchaser will be eligible for the credit if closing occurs on or before June 30, 2010.

Does the tax credit need to be repaid?

- No, provided the home buyer(s) owns and occupies the home for three years or more. If the property is sold during this three-year period, the full amount of the credit must be repaid.



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