

Facts on the Homebuyer Tax Credit

In November 2009, the first-time homebuyer tax credit was expanded and extended. It could be the boost you've been waiting for to get you on the path to your new or next home. Here are some answers to questions and facts to consider.

First-time home buyers – 10% of the purchase price up to \$8,000

This tax credit is available to buyers who have not owned a principal residence during the prior three year period, and enter into a contract to purchase a new primary residence on or before April 30, 2010.

Current home owners – 10% of the purchase price up to \$6,500

This tax credit is available to current home owners who have lived in their principal residence for at least five consecutive years during the past eight years, and enter into a contract to purchase a new primary residence on or before April 30, 2010.

What is a Homebuyer Tax Credit?*

It is a reduction in what a taxpayer owes in income taxes. To qualify, the homebuyer must meet the annual income requirements and enter into a binding contract for a home purchase between November 7, 2009 and April 30, 2010, and close on the purchase by June 30, 2010.

What are the income requirements?

For single tax payers, the income limit is \$125,000 for married taxpayers filing a joint return, the limit is \$225,000. Consult your tax professional to determine your eligibility.

Does the tax credit need to be repaid?

No. This is not a loan, but a tax reduction, provided you live in the home for a minimum of three years. Military families are exempt from this stipulation.

Are there other allowances available?

Yes. For some FHA-insured mortgages, the tax credit may be used as a down payment to offset closing costs. To learn more about this and other details, talk to a CENTURY 21® Agent.

Are there any caps on the value of the home?

Yes. The tax credit is only applicable to homes that are purchased at \$800,000 or less.

The extended tax credit program is designed to help make home buying possible for a wider number of buyers. CENTURY 21 Sales Professionals can help you understand how to take advantage of this temporary incentive. It's important to also consult with a tax professional and a mortgage specialist. A CENTURY 21 Agent will guide you through the process.



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