



Federal Homebuyer Tax Credit: First-time Homebuyers

American Recovery and Reinvestment Act of 2009 & Worker, Homeownership and Business Assistance Act of 2009

This credit is part of the federal stimulus bill, signed by President Barack Obama on February 17, 2009 and extended on November 7, 2009. The Federal Homebuyer Tax Credit is a credit of up to \$8,000 for first-time homebuyers.

There is a deadline! **You must have a written binding contract to purchase by April 30, 2010.** You will then have until July 1, 2010 to settle on your house.

First-Time Homebuyer Credit Details:

- The tax credit is calculated as \$8,000 or 10% of the home purchase price, whichever is less. This means a homebuyer can receive an \$8,000 tax credit if the home sales price is \$80,000 or more. If the home costs less than \$80,000, they can receive a credit of 10% of the purchase price. (Ex. Buying a \$50,000 home could earn you a \$5,000 credit.)
- The tax credit is available only to first-time homebuyers. (By federal definition, a "first-time homebuyer" must not have property in his/her name or the spouse's name for 3 years prior to this purchase.)
- The credit is available on home purchases between January 1, 2009 and April 30, 2010. For the purposes of this tax credit, a signed contract must be in effect by April 30, 2010; settlement must occur before July 1, 2010.
- The home purchase price must be less than \$800,000.
- The home purchase must be for a primary residence only.
- The tax credit is not a loan and does not require repayment. However, if the home is sold within 3 years, the entire tax credit must be re-paid.
- There are income restrictions on this credit. You do not qualify for the full tax credit if a) you are single and make \$125,000 or more, or b) are married and make \$225,000 or more. Partial credit may be awarded to singles making between \$125,000 and \$145,000 and couples making between \$225,000 and \$245,000. See the below charts for these estimated partial credits.

Individuals with income between \$125,000 and \$145,000

Income	Estimated Tax Credit
\$130,000	\$6,000
\$135,000	\$4,000
\$140,000	\$2,000

Couples with income between \$225,000 and \$245,000

Income	Estimated Tax Credit
\$230,000	\$6,000
\$235,000	\$4,000
\$240,000	\$2,000

- This tax credit is claimed on your federal income tax return. Purchasers must attach documentation of purchase to tax return. You can file amend your 2008 federal income taxes for a 2009 purchase, claim the credit on your 2009 taxes or amend your 2009 tax return for a 2010 purchase (with a 1040X form) to claim the money after purchase. Please consult your tax professional about this option.

Because this is a new tax credit, it is recommended that you speak with a tax professional to understand your financial obligations and filing requirements.

For more information on this and other buying incentives, contact Live Baltimore!
Live Baltimore Home Center • 410-637-3750 • www.LiveBaltimore.com
343 N. Charles Street • Baltimore, MD 21201



Federal Homebuyer Tax Credit:

Current Homeowners

American Recovery and Reinvestment Act of 2009 & Worker, Homeownership and Business Assistance Act of 2009

This credit is part of the federal stimulus bill, signed by President Barack Obama on February 17, 2009 and extended on November 7, 2009. The Federal Homebuyer Tax Credit for Current Homeowners is a credit of up to \$6,500 for qualified homeowners purchasing a new home.

There is a deadline! **You must have a written binding contract to purchase by April 30, 2010.** You will then have until July 1, 2010 to settle on your house.

Current Homeowner Credit Details:

- The tax credit is calculated as \$6,500 or 10% of the home purchase price, whichever is less. This means a homebuyer can receive a \$6,500 tax credit if the home sales price is \$65,000 or more. If the home costs less than \$65,000, they can receive a credit of 10% of the purchase price. (Ex. Buying a \$50,000 home could earn you a \$5,000 credit.)
- The tax credit is available to current homeowners who have used the home they are selling as their principal residence consecutively for 5 of the previous 8 years.
- The credit is available on home purchases between November 7, 2009 and April 30, 2010. For the purposes of this tax credit, a signed contract must be in effect by April 30, 2010; settlement must occur before July 1, 2010.
- The home purchase price must be less than \$800,000.
- The home purchase must be for a primary residence only.
- The tax credit is not a loan and does not require repayment. However, if the home is sold within 3 years, the entire tax credit must be re-paid.
- There are income restrictions on this credit. You do not qualify for the full tax credit if a) you are single and make \$125,000 or more, or b) are married and make \$225,000 or more. Partial credit may be awarded to singles making between \$125,000 and \$145,000 and couples making between \$225,000 and \$245,000. See the below charts for these estimated partial credits.

Individuals with income between \$125,000 and \$145,000

Income	Estimated Tax Credit
\$130,000	\$4875
\$135,000	\$3250
\$140,000	\$1625

Couples with income between \$225,000 and \$245,000

Income	Estimated Tax Credit
\$230,000	\$4875
\$235,000	\$3250
\$240,000	\$1625

- This tax credit is claimed on your federal income tax return. Purchasers must attach documentation of purchase to tax return. You can file amend your 2008 federal income taxes for a 2009 purchase amend your 2009 tax return for a 2010 purchase (with a 1040X form) to claim the money after purchase. Please consult your tax professional about this option.

Because this is a new tax credit, it is recommended that you speak with a tax professional to understand your financial obligations and filing requirements.

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