

The \$8,000 first-time homebuyer tax credit, which was slated to expire Nov. 30, 2009, will be extended for contracts signed before May 1, 2010 that close before July 1, 2010. First-time buyers, who are in the process of closing now, no longer have to worry about qualifying for the \$8,000 tax credit if they do end up closing after the Nov. 30 deadline. The new legislation also increases the income limit for couples with income up to \$225,000, a nearly \$55,000 increase above the current level.

Buyers who already own a home are also now eligible for a tax credit and the purchase of a home. The \$6,500 maximum credit will be available to existing homeowners who have lived in their current residence for five of the prior eight years. The legislation does set forth several provision including, limiting eligibility for existing homeowners to homes worth \$800,000 or less, as well as making both credits available only for primary residences, not second homes or investment properties. **The legislation will take effect November 7, 2009 and is not retroactive.**

The original first-time homebuyer tax credit jump-started the housing market, driving home sales to the highest level in more than two yeas. The National Association REALTORS® reported sales jumped 9.4 percent to a seasonally adjusted annual rate of 5.57 million units in September and are 9.2 percent higher than the 5.10 million-unit pace in September 2008



<b>Effective Date</b>	· January 1, 2009	· November 7, 2009
<b>Deadline</b>	· <b>Close</b> on or before November 30, 2009	· <b>Contract</b> signed before May 1, 2010, must <b>close</b> before July 1, 2010 · Members of the uniformed services, foreign services, and intelligence employees who served an extended service of 90 days will have until April 30, 2011 and June 30, 2011.
<b>Amount</b>	· <u>First-Timers:</u> maximum of \$8,000 or 10% of sales price · <u>Prior Owners:</u> \$0	· <u>First-Timers:</u> Unchanged · <u>Prior Owners:</u> \$6,500 if lived in prior home for at least 5 years of past 8 years
<b>Income Limit</b>	· <u>Individual:</u> \$75,000 · <u>Couple:</u> \$150,000	· <u>Individual:</u> \$125,000 · <u>Couple:</u> \$225,000
<b>Other Restrictions</b>	· Home must be primary residence for at least 3 years. If home is sold or buyer moves before 3 years, must re-pay full amount of credit.	· Buyer must be at least 18 years old and not classified as a dependent for tax purposes · Home must cost less than \$800,000 · New Home must be primary residence for at least 3 years following purchase. If home is sold or buyer moves, before 3 years, must re-pay full amount of credit. Exception for military, foreign services, or intelligence with extended 90 days service overseas.
<b>How to claim</b>	· If purchased in 2009, by amending 2009 tax return or claiming on 2010 tax return	· If purchased in 2010, by amending 2010 tax return or claiming on 2011 tax return