

First-time homebuyers — Put up to \$8,000 in your pocket now!



The American Recovery and Reinvestment Act of 2009 (ARRA) has expanded the First-time Homebuyer credit for those who purchase a primary home in 2009 before December 1, 2009. This First-time Homebuyer credit will not have to be paid back, unless the home is sold within three years of purchase.

The First-time Homebuyer Credit enacted in the Housing and Economic Recovery Act of 2008 required reimbursement of the credit to the government in installment payments over 15 years.

No more!

If you purchase a home in 2009 before December 1st, you can receive a credit for up to \$8,000 (or 10% of the purchase price) on your 2008 tax return.

How does it work?

This year, qualifying taxpayers who buy a home before Dec. 1, 2009, can claim the credit on either their 2008 or 2009 tax returns. They do not have to repay the credit, provided the home remains their main home for 36 months after the purchase date. They can claim 10 percent of the purchase price up to \$8,000, or \$4,000 for married individuals filing separately. The amount of the credit begins to phase out for taxpayers whose adjusted gross income is more than \$75,000, or \$150,000 for joint filers.

If you have purchased a home this year and have already filed your 2008 tax return, you can have your tax return amended to reflect the credit.

Have more questions?

We will be happy to answer your questions about this and other income tax issues. Just contact us at the office below for a free consultation.