HOMEBUYER TAX CREDIT

FEATURE	CURRENT LAW	HOUSE VERSION	SENATE VERSION
		H.R. 1	(Isakson-Lieberman
			Amendment)
Amount of Credit	Lesser of 10 percent of cost	Same as current	Lesser of 10 percent of
	of home or \$7500	law	cost of home or
			\$15,000 , but only for
			purchases beginning the
			date the President signs bill.
Eligible Property	Any single family residence	Same as current	Same as current law
Ligible Property	(including condos, co-ops,	law	Same as current law
	townhouses) that will be		
	used as a principal residence		
Refundable	Yes. Reduces (or can	Same as current	No. The credit can
	eliminate) income tax	law	reduce tax liability to
	liability for the year of		zero, but if purchaser's
	purchase. Any unused		tax liability is less than
	amount of tax credit		the amount of the
	refunded to purchaser.		credit, the unused
			portion is not refunded
		Course on any and	to purchaser.
Income Limit	Yes. Full amount of credit	Same as current	None.
	available for individuals with adjusted gross income of no	law	
	more than \$75,000		
	(\$150,000 on a joint return).		
	Phases out above those caps		
	(\$95,000 and \$170,000,		
	respectively).		
First-time Homebuyer	Yes. Purchaser (and	Same as current	No. All purchasers, not
Only	purchaser's spouse) may not	law	just first-time
	have owned a principal		homebuyers, are eligible
	residence in 3 years previous		for credit.
	to purchase		Y 1N 5 2020
Recapture/Repayment	Yes. Portion (6.67% of	Yes and No.	Yes and No. For 2009
	credit) to be repaid each year for 15 years, starting	Repayment will apply to 2008	purchases, the credit will not be repayable
	with 2010 tax filing. If home	purchases.	UNLESS the home is sold
	sold before 15 years, then	For 2009 purchases,	within two years of
	remainder of repayment	the credit will not	purchase. Repayment
	amount recaptured on sale.	be repayable	will continue to apply to
		UNLESS the home is	all 2008 purchases and
		sold within three	2009 purchases before
		years of purchase.	date of enactment.

Effective Date	Purchases on or after April 9,	Repayment	\$15,000 amount and
	2008. Repayment to begin	elimination applies	repayment feature
	for 2010 tax year (return	only to 2009	effective as of date of
	filed in 2011.)	purchases	enactment (date of
			President's signature).
Termination	July 1, 2009	July 1, 2009	September 1, 2009
Interaction with	Can be used against AMT, so	Same as current	Same as current law
Alternative Minimum	credit will not throw	law	
Tax (AMT)	individual into AMT.		
Allocation Election	No provision	No provision	A purchaser can make
(Utilizing the credit			an election to take the
over 2 years rather			credit over 2 years. If
than only in the year			the purchaser makes
of purchase)			this election, the
			amount claimed must be
			the same in both years.

Prepared February 5, 2009 Subject to Change