FIRST-TIME HOMEBUYER TAX CREDIT

As Modified in the American Recovery and Reinvestment Act

Major Modifications Italicized February 2009

FEATURE	CREDIT AS CREATED JULY 2008	REVISED CREDIT –
	APPLIES TO ALL QUALIFIED	EFFECTIVE FOR PURCHASES ON
	PURCHASES ON OR AFTER APRIL 9,	OR AFTER JANUARY 1, 2009 AND
	2008	BEFORE DECEMBER 1, 2009
Amount of	Lesser of 10 percent of cost of home or	Maximum credit amount
Credit	\$7500	increased to \$8000
Eligible	Any single family residence (including	No change
Property	condos, co-ops, townhouses) that will	All principal residences eligible.
	be used as a principal residence.	
Refundable	Yes. Reduces (or can eliminate)	No change
	income tax liability for the year of	Purchasers will continue to
	purchase. Any unused amount of tax	receive refund for unused amount
	credit refunded to purchaser.	when tax return is filed.
Income Limit	Yes. Full amount of credit available for	No change
	individuals with adjusted gross income	
	of no more than \$75,000 (\$150,000 on	Same income limits continue to
	a joint return). Phases out above	apply.
	those caps (\$95,000 and \$170,000).	
First-time	Yes. Purchaser (and purchaser's	No change
Homebuyer	spouse) may not have owned a	Still available for first-time
Only	principal residence in 3 years previous	purchasers only. Three-year rule
	to purchase.	continues to apply.
Revenue Bond	No credit allowed if home financed	Purchasers who utilize revenue
Financing	with state/local bond funding.	bond financing can use credit.
Repayment	Yes. Portion (6.67% of credit or \$500)	No repayment for purchases on
	to be repaid each year for 15 years,	or after January 1, 2009 and
	starting with 2010 tax filing.	before December 1, 2009
Recapture	If home sold before 15-year repayment	If home is sold within three years
	period ends, then outstanding balance	of purchase, entire amount of
	of repayment amount recaptured on	credit is recaptured on sale.
	sale.	Applies only to homes purchased
		in 2009.
Termination	July 1, 2009	December 1, 2009
	(But note program changes for 2009)	
	Purchases on or after April 9, 2008 and	All revisions are effective as of
Effective Date	before January 1, 2009. Repayment to	January 1, 2009
	begin for 2010 tax year.	