

First Time Homebuyer Tax Credit

(as modified in the American Recovery and Reinvestment Act, February 2009)

Feature	Credit as created July 2008 applies to all qualified purchases on or after April 9, 2008	Revised credit effective for purchases on or after January 1, 2009 and before December 1, 2009
Amount of credit	Lesser of 10% of cost of home of \$7,500	Maximum credit increased to \$8,000 change. All principal residences eligible.
Eligible property	Any single family residence (including condos, co-ops, townhouses) that will be used as a principal residence.	No change. All principal residences apply.
Refundable	Yes. Reduces (or can eliminate) income tax liability for the year of purchase. Any unused amount of tax credit refunded to purchaser.	No change. Purchasers will continue to receive refund for unused amount when tax refund is filed.
Income limit	Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$75,000 (\$150,000 on a joint return). Phases out above those caps (\$95,000 and \$170,000).	No change. Same income limits continue to apply.
First-time buyer only	Yes. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years previous to purchase.	No change. Still available for first-time purchasers only. Three year rules continues to apply.
Revenue bond financing	No credit allowed if home financed with state/local bond funding.	Purchasers who utilize revenue bond financing can use credit.
Repayment	Yes. Portion (6.67% of credit or \$500) to be repaid each year for 15 years, starting with 2010 tax filing.	No repayment for purchases on or after January 1, 2009 and before December 1, 2009.
Recapture	If home sold before 15-year repayment period ends, then outstanding balance of repayment amount recaptured on sale.	If home is sold within 3 years of purchase, entire amount of credit is recaptured on sale. Applies only to homes purchased in 2009.
Termination	July 1, 2009 (but note program changes for 2009)	December 1, 2009
Effective date	Purchases on or after April 9, 2008 and before January 1, 2009. Repayment to begin for 2010 tax year.	All revisions are effective as of January 1, 2009