



HOME BUYER TAX CREDIT EXTENSION AND EXPANSION

AS MODIFIED IN THE UNEMPLOYMENT INSURANCE BILL. PROVISIONS EFFECTIVE FOR PURCHASES ON OR AFTER NOVEMBER 6, 2009 AND A RATIFIED CONTRACT ON OR BEFORE APRIL 30, 2010 (CLOSING MUST OCCUR WITHIN 60 DAYS OF APRIL 30, 2010)

HOME BUYER TAX CREDIT EXTENSION AND EXPANSION	
(TAX CREDIT EXPANSION) EXISTING HOMEOWNERS	A \$6,500 credit is available to homebuyers who have owned and lived in the same home for 5 consecutive years of the last 8 years. Any closing as of November 6, 2009 (date of enactment) is eligible for the \$6,500 credit.
FIRST-TIME HOME BUYERS	An \$8,000 tax credit is available to first-time homebuyers. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years prior to purchase to meet first-time homebuyer definition. Date extended to April 30, 2010.
TERMINATION	Must have a ratified contract on or before April 30, 2010 and close within 60 days of April 30, 2010.
ELIGIBLE PROPERTY	Any single family residence (including condos, co-ops and townhouses) that will be used as the principal residence.
REFUNDABLE	Yes. Reduces (or, can eliminate) income tax liability for the year of the purchase. Any unused amount of tax credit will be refunded to the homebuyer.
INCOME LIMIT	Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$125,000 or joint gross income of no more than \$225,000. The credit is phased out to lower amounts for individuals and joint filers with higher gross incomes.
PURCHASE PRICE LIMITATION	The credit is available only for the purchase of principal residences with a purchase price of \$800,000 or less.
RECAPTURE	None, unless the home is sold within three years of the purchase. If the home is sold within three years original purchase, the entire amount of credit is recaptured upon sale. Recapture provision is waived for military personnel relocating due to orders.
MILITARY PERSONNEL	Credit extended for one year after expiration date for any military personnel that is serving outside United States for at least 90 days in either 2009 or 2010.
ANTI-FRAUD MEASURE	Purchaser must attach documentation of sale to tax return.

Other Resources

[NAR fact sheet on differences between the tax credit](#)

[NAR FAQ sheet on the tax credit](#)