

In the KNOW: Tax Credit Extended & Expanded

KNOWLEDGE

The First Time Homebuyer Tax Credit has not only been extended to the end of June 2010, it also has expanded with increased income levels and move-up homeowners. Below are some features and changes:

- **FIRST TIME BUYER CREDIT AMOUNT:**
No Change. \$8,000 or \$4,000 married filing separate.
- **FIRST TIME BUYER ELIGIBILITY DEFINITION:**
No Change. May not have had an interest in a principal residence for 3 years prior to purchase.
- **CURRENT HOMEOWNER CREDIT AMOUNT:**
Expanded Provision. \$6,500 or \$3,250 married filing separate.
- **CURRENT HOMEOWNER ELIGIBILITY DEFINITION:**
Expanded Provision. Must have used the home sold or being sold as a principal residence consecutively for 5 of the previous 8 years, and currently own the home.
- **TAX CREDIT DEADLINE:**
Previously November 30th, 2009. *Extended to April 30th, 2010.*
- **BINDING CONTRACT RULE:**
Expanded Provision. So long as, a written, binding purchase contract is in effect on April, 30th, 2010, purchaser has until June 30, 2010 to close.
- **INCOME LIMITS:**
Previously \$75,000-single or \$150,000-married.
Extended to \$125,000-single or \$225,000-married.
- **COST LIMITATION OF HOME PURCHASED:**
Expanded Provision. \$800,000.
- **DEPENDENT PURCHASES:**
Expanded Provision. Ineligible.
- **ANTI-FRAUD RULE:**
Expanded Provision. Documentation of purchase attached to tax return.