

Homebuyer Tax Credit Changes

Updated November 12, 2009



• National Association of Realtors® Government Affairs Division

Congress has extended and expanded the homebuyer tax credit. The modifications in the column labeled November 7, 2009 - April 30, 2010 became effective on November 7.

Feature	January 1 - November 30 2009 Rules as enacted February 2009	November 7, 2009 - April 30, 2010 Rules as enacted November 2009
First-time Buyer – Amount of Credit	\$8,000 (\$4,000 married filing separate)	\$8,000 (\$4,000 married filing separate)
First-time Buyer – Definition for Eligibility	May not have had an interest in a principal residence for 3 years prior to purchase	Same
Current Homeowner – Amount of Credit	No Provision	\$6,500 (\$3,250 married filing separate)
Effective Date – Current Owner	No Provision	November 7, 2009
Current Homeowner – Definition for Eligibility	No Provision	Must have lived in principal residence consecutively for 5 of the previous 8 years
Termination of Credit	November 30, 2009	April 30, 2010 (See “Binding Contract Rule” below)
Binding Contract Rule	None	So long as a written binding contract to purchase is in effect on April 30, 2010, the purchaser will have until July 1, 2010 to close
Income Limits (Note: Increased income limits are effective as of November 7, 2009)	\$75,000 – single \$150,000 – married Additional \$20,000 phaseout	\$125,000 – single \$225,000 – married Additional \$20,000 phaseout
Limitation on Cost of Purchased Home	None	\$800,000
Purchase by a Dependent	No Provision	Ineligible
Anti-fraud Rule	None	Purchaser must attach documentation of purchase to tax return