

# U.S. Homebuyer Tax Credit Extended, Expanded

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The tax credit for U.S. homebuyers has been extended, and a new group of buyers has been made eligible.

The credit of up to \$8,000 for first-time buyers, originally due to expire Nov. 30, has been extended into 2010. This is money that never has to be repaid, provided you live in the home for three years.

Homebuyers who owned and lived in their principal residence for five consecutive years of the last eight are eligible for a credit of up to \$6,500.

### **Facts about the Homebuyer Tax Credit:**

- You must have a signed purchase agreement for your home no later than April 30, 2010, and the transaction must close before July 1.
- First-time buyers receive a credit of 10 percent of the purchase price, up to \$8,000. You are considered a first-time buyer if neither you nor your spouse has owned a principal residence in the U.S. within the last three years.
- Buyers who owned and lived in their principal residence for at least five consecutive years of the last eight can receive credit of up to \$6,500 when they contract to purchase a home before April 30, 2010, and close before July 1.
- The upper income limit to receive the full credit is raised to \$125,000 for individuals and \$225,000 for couples.
- If the purchase price is more than \$800,000, the buyer is not eligible for the credit.
- There is no minimum income for claiming the credit. You qualify for the full credit even if you won't owe any taxes for 2009 or 2010.
- You can claim the credit when you file your 2009 or 2010 tax return. And you can even apply the credit to your down payment for the purchase of an FHA-insured home.