



**American Recovery and Reinvestment Act of 2009 First-Time Homebuyer Tax Credit**

February 2009

FEATURE	FIRST-TIME HOME BUYER TAX CREDIT
Amount of Credit	Ten percent of cost of home, not to exceed \$8000.
Eligible Property	Any single-family residence (including condos, coops) that will be used as a principal residence.
Refundable	Yes. Reduces income tax liability for the year of purchase. The home buyer credit can be claimed even if the taxpayer has little or no federal income tax liability to offset. Also, if the applicable income phase out would reduce your home buyer tax credit amount in 2009 and a larger credit would be available using the 2008 MAGI amounts, then the buyer can choose the year that yields the largest credit amount.
Income Limit	Yes. Full amount of credit available for individuals with modified adjusted gross income (MAGI) of no more than \$75,000 (\$150,000 on a joint return). Phase out above caps (\$95,000 and \$170,000 respectively).
First time Homebuyer only	Yes. Purchaser (and purchaser's spouse) may not have owned a principle residence in 3 years previous to purchase
Recapture	No. This tax credit does not have to be repaid. However, home buyers must use the residence as a principal residence for at least three years or face recapture of the tax credit amount.
Effective Date	Purchases on or after January 1, 2009
Termination Date	December 1, 2009