



# CONGRESS HAS EXTENDED & EXPANDED THE HOMEBUYER TAX CREDIT

The table below explains the modifications. If you have any questions, we are here to help. You can reach us at the Cape office (573) 335-8111 or at the Jackson office (573) 243-2555.

<b>Feature</b>	<b>December 1 - April 30, 2010 Rules as enacted November 2009</b>
First-Time Homebuyer - Amount of Credit	\$8,000 (\$4,000 married filing separate)
First-Time Homebuyer - Definition for Eligibility	May not have had and interest in a principal residence for 3 years prior to purchase.
Current Homeowner - Amount of Credit	\$6,500 (\$3,250 married filing separate)
Current Homeowner - Definition for Eligibility	Must have used the home sold or being sold as a principal residence consecutively for 5 of the previous 8 years.
Termination of Credit	Purchases after April 30, 2010
Binding Contract Rule	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	\$125,000 - Single \$225,000 - Married Additional \$20,000 phase out
Limitation on Cost of Purchased Home	\$800,000
Purchase by a Dependent	Ineligible
Anti-Fraud Rule	Purchaser must attach documentation of purchase to tax return.

The biggest change in the law makes about 70% of current homeowners eligible for a tax credit of up to \$6,500 when they purchase their next primary residence. The credit can only be claimed on primary residences purchased for less than \$800,000. It is important to note the new home does NOT have to cost more than the old one and the income limits have also been increased. And, you do NOT have to sell your current residence to take advantage of the \$6,500 tax credit!

The bill also extends the \$8,000 First-Time Homebuyer tax credit through the same period and increases the income limits.

