



# Home Buyer Tax Credit Extension Just the Facts



Have you been waiting for the perfect time to buy? The time is now!

## TYPES OF HOMES THAT QUALIFY

All homes with a purchase price of less than \$800,000 qualify, including newly-constructed or resale, and single family detached, townhomes or condominiums, provided that the home will be used as a principal residence.

Vacation home and rental property purchases do NOT qualify.

## TAX CREDIT IS REFUNDABLE

A refundable credit means that if the amount of income taxes you owe is less than the credit amount you qualify for, the government will send you a check for the difference.

## PAYBACK PROVISIONS

The tax credit is a true credit, so it would only be repaid if the homeowner sells or stops using the residence within three years after the purchase.

## WHO IS ELIGIBLE

- First-time homebuyers who have not owned a principal residence in the last three years may be eligible for up to an \$8,000 tax credit.
- Existing homeowners who have resided in their principal residence for five consecutive years out of the last eight and are purchasing a home to be their principal residence may be eligible for up to an \$6,500 tax credit.
- All US citizens who file taxes are eligible to participate in the program.

## INCOME LIMITS

Home buyers who file as single or head of household taxpayers can claim the full credit as noted above if their modified adjusted gross income (MAGI) is less than \$125,000.

- For married couples filing a joint return, the combined income limit is \$225,000.
- Single or head of household taxpayers who earn between \$125,000 and \$145,000, and married couples who earn between \$225,000 and \$245,000 are eligible to receive a partial credit.
- The credit is not available for single taxpayers whose MAGI is greater than \$145,000 and married couples with a MAGI that exceeds \$245,000.

## EFFECTIVE DATES

Homes must be purchased after November 6, 2009, and before May 1, 2010. However, home purchases subject to a binding sales contract signed by April 30, 2010, will qualify for the tax credit provided closing occurs prior to July 1, 2010.

# There has never been a better time to buy a home!



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