

FAQ's Regarding the 2009 Federal First-Time Homebuyers Tax Credit

Q What is the amount of the new tax credit?

A \$8,000

Q Who is eligible for the \$8,000 tax credit?

A First time homebuyers who closed (or will close) on homes between January 1, 2009 and November 30, 2009.

Q What are the details of the new tax credit?

A The new tax credit is an \$8,000 refundable tax credit (or up to 10% of the purchase price). This means that if your total tax liability in the given year is less than \$8,000 the IRS will send a refund for the balance.

Q Do I have to pay back the credit?

A If you occupy your home for three years you will not have to pay back the credit.



Q Who qualifies for the credit?

A • First-time homebuyers (Taxpayers who owned a main home at any time during the three years prior to the date of purchase are not eligible).

• Purchasers of a "main home." i.e. principal residence. The home must be a home located in the United States and is generally considered to be the home where you spend 50% or more of your time. It can be a condo, single family detached, co-op, townhouse or something similar. Vacation homes and rental properties are not eligible. For new construction, the "purchase date" is the date you occupy the home.



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Q Who cannot take the credit?

A Purchasers with any of the below circumstances cannot take the credit:

- Your income exceeds the phase-out range. This means joint filers with Modified Adjusted Gross Income (MAGI) of \$170,000 and above and other taxpayers with MAGI of \$95,000 and above.
- You buy your house from a close relative. This includes your spouse, parent, grandparent, child or grandchild.
- You stop using your home as your main home.
- You sell you home before the end of three years.
- You are a nonresident alien.

Q What are the income limits?

A The credit is reduced or eliminated for higher-income taxpayers. Joint filers with a MAGI of \$170,000 and above and single filers with a MAGI of \$95,000 and above are ineligible for the credit. Singles making between \$75,000 and \$95,000 and joint filers with a MAGI of between \$150,000 and \$170,000 are in the "phase-out" range, meaning you will only receive a fraction for the \$8,000 tax credit.

Q When/How can I claim the credit?

A It can be claimed on your 2008 tax return (to be filed by April 15, 2009), an amended 2008 Tax Return, or your 2009 Tax Return.

Q What if I purchased a home between April 8, 2008 and January 1, 2009?

A Purchasers who bought between 4/8/08 and 1/1/2009 are subject to the terms of the \$7,500 repayable credit.

Q Who do I contact if I have more questions about this credit?

A Contact your REALTOR® or your tax preparer, or call the IRS toll-free at (800) 829-1040 for more information on the tax credit. This information is accurate based on the information available as of February 19, 2009. As with any tax law change, check with a tax advisor if there are any question regarding using this provision.

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