



## American Recovery and Reinvestment Act of 2009

### The First-Time Home Buyer Credit Summary

Although, this is believed to be accurate, please seek professional help from a CPA to see how this might affect you.

Item	Explanation	Comments
How much is the credit?	The credit is equal to 10% of the purchase price up to a maximum of \$8,000.	No Repayment to the IRS after 36 months in the house
Income Limits	If you earn over \$75,000 (single) or \$150,000 (joint return) the credit starts to phase out.	Complete phase out when income exceeds \$95,000 (single) and \$170,000 (joint return)
Do I qualify as a first time homebuyer?	You must not have owned a principal residence in the last three years.	No related party transactions & must be a US Citizen
Do I have to pay it back?	No, as long as you live in the house as your primary residence for 36 months	
What happens when I sell the property or stop using it as my principal residence before the end of the recapture period?	Before 36 months, recapture is accelerated and the balance of the credit must be repaid, but only to the extent of your actual gain.	Report this recapture in the year of the sale. Provision goes away after 36 months living in the house.
Is this a refundable tax credit?	Yes, if your tax liability is less than \$8,000, in the year you bought your home, the IRS will send you a check for the difference.	Refundable credits allow taxpayers with little or no tax liability to receive the benefit of the tax credit.
When is this effective?	Applies to homes purchased after December 31, 2008 and through November 30, 2009	
What if I already filed my 2008 tax return?	You should consider amending your return.	Allows you to get the credit this year as opposed to waiting until next year when you file your 2009 taxes.