NAR Issue Brief Homebuyer Tax Credit Changes



National Association of REALTORS® Government Affairs Division 500 New Jersey Avenue, NW, Washington DC, 20001

Congress has extended and expanded the homebuyer tax credit. The modifications in the column labeled "December 1 – April 30, 2010" become effective when President Obama signs the bill. All changes made to the current credit become effective on that date, as well.

FEATURE	Jan 1 – November 30, 2009 Rules as enacted February 2009	December 1 - April 30, 2010 Rules as enacted November 2009
First-time Buyer -	\$8000	\$8000
Amount of Credit	(\$4000 married	(\$4000 married
	filing separate)	filing separate)
First-time Buyer –	May not have had an interest	
Definition for Eligibility	in a principal residence for 3	Same
	years prior to purchase	
Current Homeowner -	No Provision	\$6500
Amount of Credit		(\$3250 married
		filing separate)
Effective Date -	No Provision	
Current Owner		Date of Enactment
Current Homeowner –	No Provision	Must have used the home
Definition for Eligibility		sold or being sold as a
		principal residence
		consecutively for 5 of the
		previous 8 years
Termination of Credit	Purchases after	Purchases after
	November 30, 2009.	April 30, 2010
	(Becomes April 30, 2010 on	
D. U. G D. I	Date of Enactment.)	
Binding Contract Rule	None	So long as a written binding
		contract to purchase is in
		effect on April 30, 2010, the
		purchaser will have until
Income Limits	ф7Г 000 aimala	July 1, 2010 to close.
(Note: Increased income	\$75,000 – single \$150,000 – married	\$125,000 – single \$225,000 – married
limits are effective as of	I	-
	Additional \$20,000 phase out	Additional \$20,000 phase
date of enactment of bill) Limitation on Cost of	None	out \$800,000
Purchased Home	None	Effective Date of Enactment
Purchase by a Dependent	No Provision	Ineligible
l urchase by a Dependent	140 1 104151011	Effective Date of Enactment
Anti-fraud Rule	None	Purchaser must attach
And had Nate	None	documentation of purchase
		to tax return
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