

Issue Brief Homebuyer Tax Credit Changes



• National Association of Realtors® Government Affairs Division

Congress has extended and expanded the homebuyer tax credit. The modifications in the column labeled “December 1 – April 30, 2010” became effective when President Obama signed the bill November 6. All changes made to the current credit become effective on that date, as well.

Feature	January 1 - November 30 2009 Rules as enacted February 2009	December 1 - April 30 2010 Rules as enacted November 2009
First-time Buyer – Amount of Credit	\$8,000 (\$4000 married filing separate)	\$8,000 (\$4,000 married filing separate)
First-time Buyer – Definition for Eligibility	May not have had an interest in a principal residence for 3 years prior to purchase	Same
Current Homeowner – Amount of Credit	No Provision	\$6,500 (\$3,250 married filing separate)
Effective Date – Current Owner	No Provision	Date of Enactment
Current Homeowner – Definition for Eligibility	No Provision	Must have used the home sold or being sold as a principal residence consecutively for 5 of the previous 8 years
Termination of Credit	November 30, 2009	April 30, 2010 (See “Binding Contract Rule” below)
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 July 1, 2010 to close.
Income Limits (Note: Increased income limits are effective as of date of enactment of bill)	\$75,000 – single \$150,000 – married Additional \$20,000 phase out	\$125,000 – single \$225,000 – married Additional \$20,000 phase out
Limitation on Cost of Purchased Home	None	\$800,000 Effective Date of Enactment
Purchase by a Dependent	No Provision	Ineligible Effective Date of Enactment
Antifraud Rule	None	Purchaser must attach documentation of purchase to tax return