

Facts on the **First-Time Homebuyer Credit***

The time is right to close on your dream home. And now with the recent signing of a major housing stimulus bill, it's an even better time to buy. On February 17th, 2009, the American Recovery & Reinvestment Act 2009 was passed, which includes a new, temporary tax credit as an incentive for first-time homebuyers. With this bill, first-time homebuyers may qualify for up to \$8,000 in a tax credit for the purchase of a principal residence.

What is the First-Time Homebuyer Tax Credit?

A tax credit is a dollar-for-dollar reduction in what the taxpayer owes in income taxes. To qualify for the tax credit, a home purchase must occur on or after Jan 1, 2009 and before December 1, 2009 and the taxpayer must meet the annual income requirements. For the purposes of tax credit, the purchase date is the date when closing occurs.

How much is the new homebuyer tax credit?

The tax credit is equal to 10% of the qualified home purchase price, but the credit amount is capped or limited at \$8,000. For many first-time homebuyers, this means the credit will equal \$8,000.

Who is eligible for the tax credit?

A "first-time homebuyer" is defined as a buyer who has not owned a principal residence during the three-year period prior to the purchase. First-time homebuyers purchasing any kind of home—new or resale—may be eligible for the tax credit.

For more information on the details of the bill visit:
<http://www.federalhousingtaxcredit.com>.

Does the tax credit need to be repaid?

No, homebuyers will not be required to repay the credit to the government, as long as the purchase is made between January 1, 2009 and December 1, 2009.

This tax credit is designed to help make home buying possible for first-time buyers. CENTURY 21® Sales Professionals can help you understand how to take advantage of this temporary incentive. Get started on the path to your first home and contact a CENTURY 21 Sales Professional by visiting a local CENTURY 21 Office in your area, century21.com or calling **800.C21.GOLD**.

Before you decide to use the first-time homebuyer tax credit, please consult with a tax professional.



*Source: H.R. (1) American Recovery & Reinvestment Act 2009. Remember to consult a tax professional for details.
Credit expires December 1, 2009.

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