

Feature	2009 First-Time Homebuyer Federal Income Tax Credit
Amount of Credit	The amount of the tax credit is the lesser of 10% of the cost of the home or \$8,000.
Eligible Property	Any single-family home (including a condo or townhouse) may be an eligible property under the tax credit, provided it will be used as the homebuyer's principal residence.
Refundable	The \$8,000 tax credit is a clean refundable credit – unlike the one that was passed last summer, which required a repayment. If you qualify as a first-time buyer (i.e., haven't been a homeowner in the past three years), then you can claim the \$8,000 to reduce your tax burden. If the \$8,000 is greater than the tax you owe, then you will get a refund check for the difference.
Income Limit	In order to be eligible for the full tax credit, the homebuyer must have an annual adjusted gross income of no more than \$75,000 (\$150,000 on a joint return). A homebuyer with an annual adjusted gross income above that level and up to \$95,000 (\$170,000 on a joint return) is eligible for a reduced tax credit.
First-Time Homebuyer Only	The tax credit is designed for first-time homebuyers, which means the homebuyer (and/or the homebuyer's spouse), must not have owned a principal residence in the three years prior to purchase of the eligible property.
Repayment	There is no repayment of the tax credit by the homebuyer.
Recapture	If the eligible property is resold within three years of purchase, the entire amount of the tax credit is recaptured on the sale.
Effective Date	The First-Time Homebuyer Federal Income Tax Credit is effective for purchases on or after January 1, 2009, and before December 1, 2009.
Source: National Association of Realtors®	