

First-Time & Repeat Home Buyers Tax Credits

FEATURE	FIRST TIME HOME BUYER	REPEAT BUYER
Definition	Someone who has not owned a home in the last three years.	Someone who has lived in the same primary home for 5 out of the past 8 years consecutively.
Amount of Credit	\$8,000	\$6,500

Credit Expiration	A home must be signed around (under contract) by April 30, 2010 and close no later than June 30, 2010.
Eligible Properties	Single family residence (including condos, co-ops, townhouses) that will be used as primary residence. Can purchase a home from siblings, nephews, nieces, and others. Credit applies to a 1-4 unit property as long as you live in one of the units as your primary residence, other units can be occupied by tenant(s).
Ineligible Properties	Purchasing properties that are related to a spouse, direct ancestor (parent or grandparent), or direct lineal descent (child or grandchild).
Married Couples	Married couples are not eligible to claim the first-time home buyer tax credit if <i>either</i> spouse has owned a home in the last three years. They may, however, qualify for the repeat home buyer tax credit.
Income Limits	Singles with incomes up to \$125,000 and married couples with incomes up to \$225,000 qualify for full credit.
Credit Refunded	Neither the first-time home buyer tax credit nor the repeat home buyer tax credit need to be repaid unless the home is sold or ceases to be used as the buyer's principle residence within three years after the initial purchase.
Home Price	Home prices above \$800,000 are not eligible.
Non-Occupant Co-Borrower	Occupant co-borrower is eligible for the credit.
Documentation	Taxpayers must submit a copy of the HUD-1 settlement statement and IRS form 5405 to claim either the first-time home buyer tax credit or the repeat home buyer tax credit.