

First-time homebuyer tax credit summary

Issue	American Recovery and Reinvestment Act of 2009 (ARRA) (P.L. 111-5)
Credit Amount	10 percent of home purchase, up to \$8,000
Recapture	Eliminates recapture requirement established for similar first-time homebuyer credit in the Housing and Economic Recovery Act of 2008 (HERA, P.L. 110-289), as long as homeowner does not sell the home within 3 years after purchase
Effective Date and Sunset	January 1, 2009 to November 30, 2009
Eligible Property	Any single-family residence (including condos and co-ops) that will be used as a principal residence
Refundability	Yes, reduces income tax liability claimed on 2009 return and allows taxpayers to receive a rebate from Treasury if credit amount is larger than tax liability
Income Limits	Full credit amount available for individuals with Adjusted Gross Income of no more than \$75,000 (\$150,000 on a joint return); phases out above those caps (\$95,000 and \$170,000, respectively)
Eligible Homebuyers	First-time homebuyers only (defined as taxpayers who have not had an ownership interest in a residential property in the past 3 years)
AMT Interaction	Can be taken against alternative minimum tax
HERA first-time homebuyer credit	Is replaced with ARRA first-time homebuyer credit effective as of February 17, 2009

February 17, 2009