

NAR Issue Brief

Homebuyer Tax Credit



National Association of REALTORS® Government Affairs Division
500 New Jersey Avenue, NW, Washington DC, 20001

| FEATURE | Jan 1 – November 30, 2009 Rules as enacted February 2009 | November 7 – April 30, 2010 Rules as enacted November 2009 |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| First-time Buyer Amount of Credit | \$8000 (\$4000 married filing separate) | \$8000 (\$4000 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 | \$6500 (\$3250 married filing separate) |
| Effective Date Current Owner | No Provision | November 7, 2009 |
| 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 | Purchases after November 30, 2009. (Becomes April 30, 2010 on Date of Enactment.) | Purchases after April 30, 2010 |
| 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 November 7, 2009 |
| Purchase by a Dependent | No Provision | Ineligible November 7, 2009 |
| Anti-fraud Rule | None | Purchaser must attach documentation of purchase to tax return |