



enhanced Benefits Group incorporated

\$8K Tax Credit Info

The American Recovery and Reinvestment Act of 2009 authorizes a tax credit of up to \$8,000 for qualified first-time home buyers purchasing a principal residence on or after January 1, 2009 and before December 1, 2009. **That means your home purchase needs to close by December 1st and the buying process should begin no later than the middle of October to ensure you can apply this benefit.**

The following questions and answers provide basic information about the tax credit. If you have more specific questions, we strongly encourage you to consult a qualified tax advisor or legal professional about your unique situation.

Who is eligible to claim the tax credit?

First-time home buyers purchasing any kind of home—new or resale—are eligible for the tax credit. To qualify for the tax credit, a home purchase must occur on or after January 1, 2009 and before December 1, 2009. For the purposes of the tax credit, the purchase date is the date when closing occurs and the title to the property transfers to the home owner.

What is the definition of a first-time home buyer?

The law defines “first-time home buyer” as a buyer who has not owned a principal residence during the three-year period prior to the purchase. For married taxpayers, the law tests the homeownership history of both the home buyer and his/her spouse.

How is the amount of the tax credit determined?

The tax credit is equal to 10 percent of the home’s purchase price up to a maximum of \$8,000.

Are there any income limits for claiming the tax credit?

Yes. The income limit for single taxpayers is \$75,000; the limit is \$150,000 for married taxpayers filing a joint return. The tax credit amount is reduced for buyers with a modified adjusted gross income (MAGI) of more than \$75,000 for single taxpayers and \$150,000 for married taxpayers filing a joint return. The phaseout range for the tax credit program is equal to \$20,000. That is, the tax credit amount is reduced to zero for taxpayers with MAGI of more than \$95,000 (single) or \$170,000 (married) and is reduced proportionally for taxpayers with MAGIs between these amounts.

More questions and answers can be found on the Federal Housing Tax Credit web site by clicking [here](#).

Client Testimonial

“The agent assigned to list my home is great! She’s friendly and I don’t feel pressured by her. I really appreciate how open she has been to answering all of my questions.” - Anonymous Seller, Seattle, WA



Questions or Comments?

EMAIL US!



5 Things a First Time Home Buyer Should Do

1. Ask a lot of questions of your lender so you don’t end up missing out on the best deal.
2. Act quickly and efficiently so that someone else doesn’t buy your dream home!
3. Find the right agent who is willing to help you through the home buying process.
4. Do as much as you possibly can to make your offer look appealing to the seller.
5. Think about resale before you buy. The average first-time buyer only stays in a home for four years.



View this weeks Real Estate Minute



Download the Market Flash Update

For the Portland & Seattle Metro areas



Useful Links & Info

- [Washington: 1 of 5 states projected to come out of the recession in the 4th quarter](#)
- [U.S. Economy: Leading Indicators Shows Slump Easing](#)
- [More jobs on the way for Boeing?](#)