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## 2009 Home Buyer Tax Credit

General Information\*

- This tax credit applies to the purchase of a principal residence by first time home buyers. A first time home buyer is defined as any buyer who has not owned a home during the 3 years prior to the date of purchase.
- Settlement must take place between January 1, 2009 and *before* December 1, 2009.
- The maximum credit is \$8000 (or 10% of the purchase price, whichever is LESS).
  - If a buyer purchases a home for \$50,000 and is otherwise a fully qualified purchaser, the available tax credit is \$5,000.
  - If a buyer purchases a home for \$90,000 and is otherwise a fully qualified purchaser, the available tax credit is \$8,000.
- Individual purchasers are eligible for the full credit if they make less than \$75,000, and above that the credit is scaled down until the maximum income of \$95,000. No credit is available for individual purchasers above \$95,000 in income.
- Married couples who make less than \$150,000 are eligible for the full credit, and the amount of the credit is phased out until the maximum income of \$170,000 is reached. There is no credit for couples making more than \$170,000.
- Because the tax credit is “refundable,” qualified buyers can take the full credit even if the tax liability is less than the amount of the credit, thus receive a refund.
- The homebuyer must own the home for at least three years before selling. If the home is sold before 3 years pass, the credit will be reversed or recaptured. Exceptions will be made in certain cases, such as death or divorce.

*This is general information only from public sources. \* Please seek the advice of a tax specialist for additional and specific information applicable to your tax situation.*