

\$8,000 Home Buyer Tax Credit at a Glance

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.

The tax credit is for first-time home buyers only.

To qualify for the tax credit, a home purchase must occur on or after January 1, 2009 and before December 1, 2009.

The tax credit does not have to be repaid.

The fact that the credit is refundable means that the home buyer credit can be claimed even if the taxpayer has little or no federal income tax liability to offset. Typically this involves the government sending the taxpayer a check for a portion or even the entire amount of the refundable tax credit. A tax credit is a dollar-for-dollar reduction in what the taxpayer owes.

That means that a taxpayer who owes \$8,000 in income taxes and who receives an \$8,000 tax credit would owe nothing to the IRS.

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

The income limit is for Single taxpayers with incomes up to \$75,000 and married couples with incomes up to \$150,000 qualify for the full tax credit.

Learn more at the Home Builders Association of Kentucky web site:

www.hbak.com