



# Issue Brief

## Homebuyer Tax Credit Changes

Congress has extended and expanded the homebuyer tax credit. The modifications in the column labeled “November 7 – April 30, 2010” become effective when President Obama signs the bill. All changes made to the current credit become effective on that date, as well.

Feature	Jan 1 - Nov 30, 2009 Rules as enacted Feb 2009	Nov. 7 - April 30, 2010 Rules as enacted Nov 2009
<b>First-time Buyer - Amount of Credit</b>	\$8,000 (\$4,000 married filing separate)	\$8,000 (\$4,000 married filing separate)
<b>First-time Buyer - Definition for Eligibility</b>	May not have had an interest in a principal residence for 3 years prior to purchase.	Same
<b>Current Homeowner - Amount of Cred</b>	No Provision	\$6,500 (\$3,250 married filing separate)
<b>Effective Date - Current Owner</b>	No Provision	Nov. 7, 2009
<b>Current Homeowner - Definition for Eligibility</b>	No Provision	Must have used the home sold or being sold as a principal residence consecutively for 5 of the previous 8 years.
<b>Termination of Credit</b>	Purchases after November 30, 2009. (Becomes April 30, 2010 on Date of Enactment.)	Purchases after April 30, 2010
<b>Binding Contract Rule</b>	None	So long as a written binding contract to purchase is in effect on April 30, 2010, the purchaser will have until June 30, 2010 to close.
<b>Income Limits</b> <i>(Note: Increased income limits are effective as of date of enactment of bill)</i>	\$75,000 – single \$150,000 – married Additional \$20,000 phase out	\$125,000 – single \$225,000 – married Additional \$20,000 phase out
<b>Limitation on Cost of Purchased Home</b>	None	\$800,000 Effective Nov. 7, 2009
<b>Purchase by a Dependent</b>	No Provision	Ineligible Nov. 7, 2009
<b>Anti-fraud Rule</b>	None	Purchaser must attach documentation of purchase to tax return.

SOURCE: National Association of REALTORS®, [www.wra.org/nartaxcreditfaq](http://www.wra.org/nartaxcreditfaq)