

First Time Home Buyer Tax Credit 2010

- **Effective Dates:** applies to purchases from 12/01/2009- 4/30/2010. **Loan must be closed by 6/30/2010.**
- **Tax Credit Available up to \$8,000** for First Time Home Buyers, defined as someone who has not owned a residence within the past 3 years.
- **Tax Credit Available up to \$6,500 to Existing Home Owners who have owned and occupied a primary residence for a period of 5 consecutive years during the last 8 years, and who want to purchase a new primary residence.**
- **Eligible Property:** any residence that will be used as a **principal residence.** (including single family, attached townhouses, condos, manufactured homes) Second homes or investment properties not eligible.
- **Income Limits Increased: Adjusted Gross Income for single filers with incomes below \$125,000 and couples with incomes below \$225,000.** (Additional phase out of \$20,000.)
- **Limitation on Cost of Home Purchased \$800,000.**
- **Anti Fraud Rule: Documentation of purchase must be attached to Tax Return.**
- **Tax Credit versus Tax Deduction:** the true benefit is dollar for dollar tax reduction, rather than a reduction in liability. (if you owe \$8,000 in income taxes and you qualify for tax credit, you owe nothing)

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