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Dear Realtors,

Since the revised, new and improved form 5405 isn't published yet (IRS is now saying mid January) I found a list of important facts to the Extended First-Time Homebuyer Credit. The important ones I remark to in blue:

10 Important Facts about the Extended First-Time Homebuyer Credit

IRS Special Edition Tax Tip 2009-13

If you are in the market for a new home, you may still be able to claim the First-Time Homebuyer Credit. Congress recently passed The Worker, Homeownership and Business Assistance Act Of 2009, extending the First-Time Homebuyer Credit and expanding who qualifies.

Here are the top 10 things the IRS wants you to know about the expanded credit and the qualifications you must meet in order to qualify for it.

1. You must buy – or enter into a binding contract to buy a principal residence – on or before April 30, 2010.
2. If you enter into a binding contract by April 30, 2010 you must close on the home on or before June 30, 2010.
3. For qualifying purchases in 2010, you will have the option of claiming the credit on either your 2009 or 2010 return. [\(I have been asked this a lot. This works for those who make too much in 2010 and need to use 2009 income\)](#)
4. A long-time resident of the same home can now qualify for a reduced credit. You can qualify for the credit if you've lived in the same principal residence for any five-consecutive year period during the eight-year period that ended on the date the new home is purchased and the settlement date is after November 6, 2009. [\(No loopholes here. The buyer has to have lived 5 consecutive years in previous residence\)](#)
5. The maximum credit for long-time residents is \$6,500. However, married individuals filing separately are limited to \$3,250.
6. People with higher incomes can now qualify for the credit. The new law raises the income limits for homes purchased after November 6, 2009. The full credit is available to taxpayers with modified adjusted gross incomes up to \$125,000, or \$225,000 for joint filers.
7. The IRS will issue a December 2009 revision of Form 5405 to claim this credit. The December 2009 form must be used for homes purchased after November 6, 2009 – whether the credit is claimed for 2008 or for 2009 – and for all home purchases that are claimed on 2009 returns. [\(This is the one we are all waiting on\)](#)
8. No credit is available if the purchase price of the home exceeds \$800,000. [\(This is new!\)](#)
9. The purchaser must be at least 18 years old on the date of purchase. For a married couple, only one spouse must meet this age requirement. [\(This is new!\)](#)
10. A dependent is not eligible to claim the credit. [\(This is new!\)](#)