



Many incentives for home buyers have been released and/or updated recently. These programs, coupled with high affordability and low mortgage rates, make it a great time to purchase real estate.

# It Pays to Buy Now

The federal tax credit for home buyers was recently extended and expanded

**First-Time Home Buyers:** If you have not owned a home within the last 3 years, you may be eligible for a **tax credit** of 10% of the purchase price of your first home up to **\$8,000**.

**Current Home Owners:** The tax credit program has been expanded to include you, giving you some additional incentives to move to a new home! You're now eligible for a **tax credit up to \$6,500** if you have owned and occupied your current residence for 5 consecutive years during the last 8 years.

**Here are some other eligibility requirements:** The amount of income you can earn and still qualify for the full amount of the tax credit has been increased. Single tax filers who earn up to \$125,000 are eligible for the total credit amount. Those who earn more than this cap, but less than \$145,000 can receive a partial credit. Joint filers who earn up to \$225,000 are eligible for the total credit amount. Those who earn more than this cap, but less than \$245,000 can also receive a partial credit.

**Important deadline:** To qualify for either of these tax credits, you need to act now!! All contracts need to be in effect no later than **April 30, 2010** and close no later than June 30, 2010. Qualifying buyers may purchase a property with a maximum sales price of \$800,000.

## Tax Credit vs. Tax Deduction

It's important to consider that a tax credit is a dollar-for-dollar tax reduction, rather than a reduction in taxable income that would only save you a percentage of your deduction based on your tax rate. Better still, the tax credit is refundable, which means you can receive a check for the credit if you have little or no tax liability to offset.



Keep in mind the new tax credit program includes a number of details and qualification guidelines. In addition, you may be able to benefit from additional housing-related provisions, such as funding for energy-efficient improvements. For more information or answers to specific questions, please call or email me today.

Oh, by the way®... I'm never too busy for your referrals.