

Congratulations!!

If you purchased a new home in 2009, you may be able to claim up to \$8000 on your federal tax return as a first-time homebuyer.

You have to file a paper tax return in order to claim the credit because a copy of your mortgage must be included with it. This means you cannot file your return electronically if you claim this credit.

First Time Homebuyers' Credit

A new law that went into effect Nov. 6 extends the first-time homebuyer credit five months and changed the eligibility requirements for purchasers. The deadline for purchasing a home that will qualify for the credit is now April 30, 2010. As long as a buyer enters into a binding contract by that date, the buyer has until June 30, 2010, to settle on the purchase.



A buyer who has not owned a primary residence during the three years up to the date of purchase is considered a first-time homebuyer.

The new law also provides a “long-time resident” credit of up to \$6,500 to others who do not qualify as “first-time homebuyers.” To qualify this way, a buyer must have owned and used the same home as a principal or primary residence for at least five consecutive years of the eight-year period ending on the date of purchase of a new home as a primary residence.

For all qualifying purchases in 2010, taxpayers have the option of claiming the credit on either their 2009 or 2010 tax returns.