

FIRST-TIME HOMEBUYER CREDIT COMPARISON

Purchase date	4/9/08—12/31/08	1/1/09—11/6/09	11/7/09—4/30/10
1) Credit amount	10% of purchase price up to a maximum of \$7,500 (\$3,750 MFS)	10% of purchase price up to a maximum of \$8,000 (\$4,000 MFS)	10% of purchase price up to maximum of \$8,000 (\$4,000 MFS) 10% of purchase price up to a maximum of \$6,500 (\$3,250 MFS) for long-term homeowners
2) Binding contract provision	N/A	N/A	Binding contract entered into on or before 4/30/10 must be closed before 7/1/10
3) Price limit of home	None	None	\$800,000
4) MAGI limit	\$75,000-\$95,000 (\$150,000-\$170,000 MFJ)	\$75,000-\$95,000 (\$150,000-\$170,000 MFJ)	\$125,000-\$145,000 (\$225,000-\$245,000 MFJ)
5) First-time homebuyer defined	No ownership of principal residence in 3 years before purchase	No ownership of principal residence in 3 years before purchase	Now also includes long-term homeowners who owned and lived in their homes 5 continuous years out of the previous 8 years before replacement home purchase (maximum credit \$6,500)
6) Choice to claim on current or prior year return	N/A	Yes – but all rules for the year of purchase apply	Yes – but all rules for the year of purchase apply
7) Form used	Must use 2008 Form 5405	- If claimed on 2008 return, can use either 2008 OR 2009 Form 5405 - If claimed on 2009 return, MUST use 2009 Form 5405	-Must use the 2009 Form 5405 to claim a credit for purchases made from 11/7/09 through 12/31/09 -If credit for 2010 purchase is claimed on a 2009 return, must use 2009 Form 5405
8) Recapture provision (For special rules for military personnel see Item 11)	Pay back in 15 equal installments starting in 2010—limited exceptions apply	Pay back in full if home sold or not used as a principal residence for 3 years – limited exceptions apply	Pay back in full if home sold or not used as principal residence for 3 years – limited exceptions apply
9) Substantiation required with claim	No	Closing statement must be submitted if claimed on 2009 return	Closing statement must be submitted
10) Restrictions	Doesn't apply to nonresident aliens Can't purchase home from related party (spouse, parent, grandparent, other ancestors, and descendants)	Same as 2008. A return on which the credit is claimed using the revised form cannot be e-filed	Same, but additional restrictions also apply: <ul style="list-style-type: none"> • Related party now includes parents-in-law, stepchildren, and other family of spouse • Taxpayer must be at least 18 at the time of purchase • Individual cannot be a dependent of another taxpayer
11) Military provisions	Recapture doesn't apply if home ceases to be used as a principal residence after 2008 due to qualified official extended duty	Same recapture provision; credit available if purchase and disposition occur in same year due to qualified official extended duty	Same recapture and credit availability provisions as apply to homes purchased after 1/1/09 and before 11/16/09 Purchase date extended through 4/30/11 (6/30/11 for contracts before 5/1/11) if on qualified official extended duty overseas at least 90 days during the period 1/1/2009 through 4/30/2010