

MAKING HOMES HAPPEN.



2010 Home Buyer Federal Tax Credits

Who is Eligible

- First-time home buyers, who are defined by the law as buyers who have not owned a principal residence during the three-year period prior to the purchase, may be eligible for up to an \$8,000 tax credit.
- Existing home owners who have been residing in their principal residence for five consecutive years out of the last eight and are purchasing a home to be their principal residence ("repeat buyer"), may be eligible for up to a \$6,500 tax credit.
- All U.S. citizens who file taxes are eligible to participate in the program.

Income Limits

- Single or head-of-household taxpayers can claim tax credit if their modified adjusted gross income (MAGI) is less than \$125,000.
- For married couples filing a joint return, the combined income limit is \$225,000.
- Single or head-of-household taxpayers who earn between \$125,000 and \$145,000, and married couples who earn between \$225,000 and \$245,000 are eligible to receive a partial credit.
- The credit is not available for single taxpayers whose MAGI is greater than \$145,000 and married couples with a MAGI that exceeds \$245,000.

Payback Provisions

- The tax credit is a true credit. It does not have to be repaid unless the home owner sells or stops using the home as their principal residence within three years after the purchase.

Effective Dates

- The eligibility period for the tax credit is for homes purchased after Nov. 6, 2009, and before May 1, 2010. However, home purchases subject to a binding sales contract signed by April 30, 2010, will qualify for the tax credit provided closing occurs prior to July 1, 2010.

Tax Credit is Refundable

- A refundable credit means that if the amount of income taxes you owe is less than the credit amount you qualify for, the government will send you a check for the difference. For example:
 - A first-time buyer who qualifies for the full \$8,000 credit who owes \$5,000 in federal income taxes would pay nothing to the IRS and receive a \$3,000 payment from the government. If you are due to receive a \$1,000 refund, you would receive \$9,000 (\$1,000 plus the \$8,000 first-time home buyer tax credit).
 - A repeat buyer who owes \$5,000 would pay nothing to the IRS and receive \$1,500 back from the government. If you are due to get a \$1,000 refund, you would get \$7,500 (\$1,000 plus the \$6,500 repeat buyer tax credit).
- All qualified home buyers can take the tax credit on their 2009 or 2010 income tax return.

Advance Tax Credit Loan Program

- The ATC Loan Program is available to assist qualified first-time homebuyers with down payments and closing costs. Offered by South Dakota Housing Development Authority, the program allows the borrower(s) to utilize a portion of their Federal First-time Homebuyer Tax Credit for these costs in conjunction with a SDHDA First-time Homebuyer Loan.



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Fall Parade of Homes™
September 11-13 & 19-21, 2010

Showcase of Remodeled Homes™
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