

First-Time Homebuyer Tax Credit Provision

Originally implemented by H.R. 3221, the “Housing and Economic Recovery Act of 2008,” it was extended to include any new home purchase before December 1, 2009 by H.R. 1, the “American Recovery and Reinvestment Act of 2009.”

- Allows first-time home buyers of a principal residence in the United States to take a tax credit of 10 percent of the purchase price of the residence (not to exceed \$8,000).
- H.R. 1 increased the amount of such credit to \$8,000 from \$7,500.
- The term ‘first-time homebuyer’ means any individual if such individual (and if married, such individual’s spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of the purchase of the principal residence to which this section applies.
- H.R. 1 Extends the first-time homebuyer tax credit through November 2009.
- Waives the repayment requirement for such credit for a residence purchased after December 31, 2008, and before December 1, 2009, unless the taxpayer resells or vacates the residence within 36 month of purchase.
- Allows such credit for residences financed by the proceeds of a mortgage revenue bond or other tax-exempt bond.
- Sets forth rules for the coordination of this credit with the tax credit for first-time homebuyers in the District of Columbia.