

Facts About The 09 Credit (references from IRS 5405 form)

1. First Time Homeowner is still 3 years. It also states if you are MARRIED THAT YOU & YOUR SPOUSE cannot own a home in the past 3 years!!!!
2. Must live in it.
3. \$75,000 individual/\$150,000 married income limits for full \$8000. Can get partial credit if income is sub \$95,000 individual/\$170,000 married.
4. Bond Loans are able to get credit now (\$7500 did not allow it)
5. Nonresident Alien will not receive credit.
6. Acquired home by gift or inheritance does not qualify
7. Acquired home from a related person does not qualify. Related person is defined as:
 - a. spouse, parents, grandparents, children, & grandchildren.
 - b. own 50% or more of outstanding stock w/ another person.
 - c. have a partnership business in which you directly or indirectly own 50% of capital interest or profit interests.
8. Credit is \$8000 if closed post 1/1/09 and by 12/1/09. Credit is \$4000 if married but file separately. Credit max is 10% of purchase price up to \$8000. See IRS rules on Modified Adjusted Gross Income.
9. No repayment if:
 - a. live in home 36 months
 - b. also please refer to specific info on page 2 of IRS form (Homes purchase in 2009 section) on other situations on no repayment.
10. Exceptions to repayment rule (pre 36 mo's):
 - a. if you sale home to someone you are not related to, the penalty is will be the gain on the sale up to \$8000.
 - b. if home is destroyed, condemned, etc. & you get another home w/in 2 years no repayment.
 - c. in a divorce, the spouse who receives the home will be responsible for the repayment.
 - d. if you die repayment is not required. if you have a spouse they will have to repay half of their credit.

11. Form requires date you acquired the home. So must have property prior to getting credit.

12. You can close in 2009 & modify 2008 taxes so you get \$ in 2008.

Again, please note US Bank is NOT a Tax Advisor. Above US Bank has kindly itemized some bullet points from the IRS 5405 Form. So any questions on the Tax Credit Info above HAS to be referred to a licensed CPA or IRS. I am sure more questions/answers will arise from the IRS. We will try to post more information as it appears.