



# FIRST-TIME HOMEBUYER TAX CREDIT FACT SHEET\*



## Who is Eligible?

- The \$8,000 tax credit is available for first-time homebuyers only and is based on income, and the purchase price of the home.
- The law defines a first-time homebuyer as a buyer who has not owned a home during the past three years.
- All U.S. citizens who file taxes are eligible to participate in the program.
- Homebuyers that purchase their home between January 1, 2009 and April 30, 2010 are eligible to participate.
- Contracts written on April 30, 2010 are eligible as long as they close on or before July 1, 2010.

## Types of Homes that Qualify for the Tax Credit

- All homes purchased for less than \$800,000 within the United States including; single-family, town homes, or condominiums will qualify.
- Both new construction and resale homes qualify.
- However, there are two conditions:
  - The home must be used as a principal residence, and
  - The buyer has not owned a home in the prior three years.

## Determining Tax Credit Amount

- The tax credit is equal to 10% of the home purchase price, up to a maximum of \$8,000.

## Income Limits

- The tax credit amount is reduced for buyers with a modified adjusted gross income (MAGI) of more than \$125,000 for single taxpayers and \$225,000 for married taxpayers filing a joint return.
- The tax credit amount is reduced to zero for taxpayers with MAGI of more than \$145,000 (single) or \$245,000 (married) and is reduced proportionally for taxpayers with MAGIs between these amounts.

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REALTOR® WHEN BUYING OR SELLING A HOME.