

IRS News Release

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First-Time Homebuyers Have Several Options to Maximize New Tax Credit

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WASHINGTON – As part of the Treasury Department’s consumer outreach effort and with the April 15 individual tax filing deadline approaching, the Internal Revenue Service today began a concerted effort to educate taxpayers about additional options at their disposal to claim the new \$8,000 first-time homebuyer credit for 2009 home purchases. For people who recently purchased a home or are considering buying in the next few months, there are several different ways that they can get this tax credit even if they’ve already filed their tax return.

The Treasury Department encourages taxpayers to explore these options to maximize their credit and get their money back as fast as possible.

“The new credit can get money in the pockets of first-time homebuyers quickly,” said IRS Commissioner Doug Shulman. “For people who recently purchased a home or are considering buying in the next few months, there are several different ways that they can get this tax credit even if they’ve already filed their tax return.”

First-time homebuyers represent a significant portion of existing single-family home sales. The expansion in the first-time homebuyer credit will make it easier for first-time homebuyers to enter the housing market this year.

Under the American Recovery and Reinvestment Act of 2009, qualifying taxpayers who purchase a home before Dec. 1 receive up to \$8,000 or \$4,000 for married individuals filing separately. People can claim the credit either on their 2008 tax returns due April 15 or on their 2009 tax returns next year.

The filing options to consider are:

- **File an extension.** Taxpayers who haven’t yet filed their 2008 returns but are buying a home soon can request a six-month extension to October 15. This step would be faster than waiting until next year to claim it on the 2009 tax return. Even with an extension, taxpayers could still file electronically, receiving their refund in as few as 10 days with direct deposit.
- **File now, amend later.** Taxpayers due a sizable refund for their 2008 tax return but who also are considering buying a house in the next few months can file their return now and claim the credit later. Taxpayers would file their 2008 tax forms as usual, then follow up with an amended return later this year to claim the homebuyer credit.
- **Amend the 2008 tax return.** Taxpayers buying a home in the near future who have already filed their 2008 tax return can consider filing an amended tax return. The amended

tax return will allow them to claim the homebuyer credit on the 2008 return without waiting until next year to claim it on the 2009 return.

- **Claim the credit in 2009 rather than 2008.** For some taxpayers, it may make more financial sense to wait and claim the homebuyer credit next year when they file the 2009 tax return rather than claiming it now on the 2008 tax return. This could benefit taxpayers who might qualify for a higher credit on the 2009 tax return. This could include people who have less income in 2009 than 2008 because of factors such as a job loss or drop in investment income.

The IRS reminds taxpayers the amount of the credit begins to phase out for taxpayers whose modified adjusted gross income is more than \$75,000, or \$150,000 for joint filers. Taxpayers can claim 10 percent of the purchase price up to \$8,000, or \$4,000 for married individuals filing separately.

For more information, including guidance for people who bought their first homes in 2008, visit IRS.gov. To learn more about the overall implementation of the Recovery Act, visit <http://www.recovery.gov/>.