

Helping Home Buyers Today



First Time Home Buyers...

Disclaimer...

The information provided in this pamphlet is not intended, and should not be construed to be legal, tax, or investment advice. Before taking any action based on this information you are strongly encouraged to, and should, consult with a qualified legal, tax, and/or investment professional to whom you have provided all pertinent facts and information as to your individual situation.

The information in this pamphlet is intended to be general information only and, as such, it is provided with no guarantee as to its timeliness, completeness, or accuracy. You should consult with your chosen advisor for the most complete and up-to-date information and guidance concerning the provisions of H.R.1.



Save Up To \$8,000

**ALL HOMES ARE ELIGIBLE -
NEW AND REALES!**

**ALL FACTORY-BUILT HOMES,
MANUFACTURED (HUD)
AND MODULAR (DCA)**

**HOMES IN
LAND-LEASE COMMUNITIES
ARE ELIGIBLE, TOO!**



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A Guide To The First Time Home Buyer Tax Credit

QUICK REFERENCE – FAQ



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First Time Home Buyer Tax Credit – REVISED

For homes purchased on or after January 1, 2009
and before December 1, 2009

On February 17, 2009, President Barack Obama signed into law The American Recovery and Reinvestment Act of 2009 - H.R.1. The Act revises and extends the First Time Home Buyer Tax Credit for qualified home purchases. Provisions in the revised Tax Credit are more favorable for several reasons, but most significant is that the credit does not need to be paid back unless the home is sold within three years.

The Tax Credit will still be administered by the IRS and reduces a taxpayer's tax bill or increases his or her refund, dollar for dollar, in the year the credit is claimed.

This brochure is intended to highlight some key provisions of the credit. The Florida Manufactured Housing Association (FMHA) recognizes that each home buyer has specific tax concerns and suggests that you consult with a qualified legal, tax, and/or investment professional before taking action based on this information.

FMHA is the non-profit trade association representing the factory constructed housing industry in Florida.

Frequently Asked Questions

1. What is the First Time Home Buyer Credit? A federal income tax credit of 10% of the purchase price up to \$8,000.

2. What is the definition of a first time home buyer? Generally, a buyer who has not owned a residence during the three-year period prior to purchase.

3. Who is eligible to claim the tax credit? Qualified first time home buyers purchasing any kind of home – new or resale – for use as a principal residence.

4. What types of homes will qualify for the tax credit? Any home purchased by an eligible first time home buyer, used as a principal residence. The home may be a manufactured home, or a modular home located in a land-lease community or on private land.

5. Are there any income limits to determine who is eligible to take the tax credit? Yes. Modified adjusted gross income (MAGI) of up to \$75,000 for single or head-of-household buyers and \$150,000 for joint taxpayers.

6. If my MAGI is above the limit, do I still qualify for a credit? Possibly. A partial credit of less than \$8,000 is available for some taxpayers subject to phase-out limits.

7. Are there any circumstances for which qualified home buyers may not receive the maximum \$8,000 credit? In general, the credit is equal to 10% of the purchase price but is capped at \$8,000.

8. Do I qualify for the credit if my home is financed with state or local bond funding? Yes. The credit is available to qualified first time home buyers that finance their home purchase with state or local bond funds.

9. I heard the tax credit is refundable. What does that mean? Refundable means that it can be claimed even if the taxpayer owes little or no federal income tax. Should that be the case, the IRS will issue a check to the home buyer for the difference between the tax due and the amount of the tax credit.

10. Does the tax credit have to be paid back? Repayment is not required for qualified home purchases on or after January 1, 2009 and before December 1, 2009, unless the home is sold within three years of purchase.

11. I hear there is a “recapture” feature to the Tax Credit. What does this mean? If the home is sold within three years of purchase, the entire amount of the credit must be paid back to the government upon the sale of the home.