

# Congress extends homebuyer credit for certain taxpayers

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Just before an important deadline was set to expire, the House and Senate extended the homebuyer tax credit for certain taxpayers. Previously, the credit was available to qualified taxpayers for purchases made before May 1, 2010, or July 1 if a binding contract was in place before May 1. Congress has extended the July 1 deadline to October 1, 2010.

It's important to note that the May 1 deadline was not extended; for a taxpayer to benefit from the credit, a binding contract still must have been in place before that date. The extension simply gives taxpayers with such a contract in place more time to complete the closing.

The maximum credit is \$8,000 (\$4,000 for married filing separately) for "first-time" homebuyers and \$6,500 (\$3,250 for married filing separately) for "long-time" homeowners. The credit starts to phase out for joint filers

with modified adjusted gross incomes (MAGIs) exceeding \$225,000 (\$125,000 for single filers). It's completely eliminated for joint filers with MAGIs exceeding \$245,000 (\$145,000 for single filers).

Additional rules apply regarding who is eligible and what their maximum credit is, so it's important to consult your tax advisor to determine how the credit may apply to you.

Please contact us at 410.685.5512 or [gma@gma-cpa.com](mailto:gma@gma-cpa.com) if you have questions about whether you qualify for this tax credit.