

# Tips for Taxpayers

**BOSMA GROUP**  
BUSINESS TAX ACCOUNTING



## Home Buyer Alert

Married taxpayers who purchase a home between April 9, 2008 and June 30, 2009 and have not owned a principle residence within 3 years of the closing date get up to \$7,500 tax credit if their adjusted gross income is less than \$150,000.

## Little Known Tax Credit Helps Joe Taxpayer

Our government made life a little easier for those looking to own a home with the First-Time Home Buyer Tax Credit. 'Qualified' new homeowners receive up to a \$7,500 refundable credit on their tax return for homes purchased before July 1, 2009 (and after April 9, 2008).

This incentive is directed at the working class, defined as single taxpayers making less than \$75,000 and married taxpayers making less than \$150,000 (slightly higher incomes qualify for a reduced credit). While technically a tax credit, you will have to pay it back in the form of higher taxes over 15 years. Payments start 2 years after you claim the credit.

The credit was designed to assist with the down payment of a house. Leave it to the government to require you to close on the house before you can get the cash. Consider borrowing from friends and family, or reduce your W-2 withholding to increase your take home pay to help with the cash needed for the down payment.

Of course the above are general rules (exceptions abound) and not intended to provide specific advice. Contact your tax advisor to get an answer for your specific situation.

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