

**First-Time Homebuyer Credit**

► Attach to Form 1040

Name(s) shown on return

Your social security number

**Part I General Information**

**A** Address of home qualifying for the credit (if different from the address shown on return)

**B** Date acquired (see instructions)

**C** If you are choosing to claim the credit on your 2008 return for a main home bought after December 31, 2008, and before December 1, 2009, check here (see instructions)

**Part II Credit**

**1** Enter the **smaller** of:

- \$7,500 (\$8,000 if you purchased your home in 2009), but only half of that amount if married filing separately, or
- 10% of the purchase price of the home.

If someone other than a spouse also held an interest in the home, enter only your share of this amount (see instructions)

**2** Enter your modified adjusted gross income (see instructions)

**3** Is line 2 more than \$75,000 (\$150,000 if married filing jointly)?

**No.** Skip lines 3 through 5 and enter the amount from line 1 on line 6.

**Yes.** Subtract \$75,000 (\$150,000 if married filing jointly) from the amount on line 2 and enter the result

**4** Divide line 3 by \$20,000 and enter the result as a decimal (rounded to at least three places).

**Do not** enter more than 1.000

**5** Multiply line 1 by line 4

**6** Subtract line 5 from line 1. This is your **credit**. Enter here and on Form 1040, line 69

		<b>1</b>			
	<b>2</b>				
	<b>3</b>				
		<b>4</b>	X		
		<b>5</b>			
		<b>6</b>			

**General Instructions**

Section references are to the Internal Revenue Code.

**Purpose of Form**

Use Form 5405 to claim the first-time homebuyer credit. The credit may give you a refund even if you do not owe any tax.

For homes purchased in 2008, the credit operates much like an interest-free loan. You generally must repay it over a 15-year period. For homes purchased in 2009, you must repay the credit only if the home ceases to be your main home within the 36-month period beginning on the purchase date. See *Repayment of Credit* on page 2.

**Who Can Claim the Credit**

In general, you can claim the credit if you are a first-time homebuyer. You are considered a first-time homebuyer if:

- You purchased your main home located in the United States after April 8, 2008, and before December 1, 2009.
- You (and your spouse if married) did not own any other main home during the 3-year period ending on the date of purchase.

If you constructed your main home, you are treated as having purchased it on the date you first occupied it.

**Main home.** Your main home is the one you live in most of the time. It can be a house, houseboat, house trailer, cooperative apartment, condominium, or other type of residence.

**Who Cannot Claim the Credit**

You cannot claim the credit if any of the following apply.

1. Your modified adjusted gross income is \$95,000 or more (\$170,000 or more if married filing jointly). See the instructions for line 2.
2. You are, or were, eligible to claim the District of Columbia first-time homebuyer credit for any tax year. This rule does not apply for a home purchased in 2009.
3. Your home financing comes from tax-exempt mortgage revenue bonds. This rule does not apply for a home purchased in 2009.
4. You are a nonresident alien.
5. Your home is located outside the United States.
6. You sell the home, or it ceases to be your main home, before the end of 2008.
7. You acquired your home by gift or inheritance.
8. You acquired your home from a related person.

A related person includes:

- a. Your spouse, ancestors (parents, grandparents, etc.), or lineal descendants (children, grandchildren, etc.).
- b. A corporation in which you directly or indirectly own more than 50% in value of the outstanding stock of the corporation.
- c. A partnership in which you directly or indirectly own more than 50% of the capital interest or profits interest.