



**HOUSING AND ECONOMIC RECOVERY ACT OF 2008  
 First-time Homebuyer Tax Credit**

FEATURE	H.R. 3221 Housing and Economic Recovery Act of 2008
Amount of Credit	Ten percent of cost of home, not to exceed \$7500
Eligible Property	Any single-family residence (including condos, co-ops) that will be used as a principal residence.
Refundable	Yes. Reduces income tax liability for the year of purchase. Claimed on tax return for that tax year.
Income Limit	Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$75,000 (\$150,000 on a joint return). Phases out above those caps (\$95,000 and \$170,000, respectively).
First-time Homebuyer Only	Yes. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years previous to purchase.
Recapture	Yes. Portion (6.67 % of credit) to be repaid each year for 15 years. If home sold before 15 years, then remainder of credit recaptured on sale.
Impact on District of Columbia Homebuyer Credit	DC credit not available if purchaser uses this credit.
Effective Date	Purchases on or after April 9, 2008
Termination	July 1, 2009
Interaction with Alternative Minimum Tax	Can be used against AMT, so credit will not throw individual into AMT.