

Tom Lyons

Realtor

realestate@tomlyons.com

925-216-1105

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\$18,000 IN COMBINED HOMEBUYER TAX CREDITS FOR A LIMITED TIME

Californians have a brief window of opportunity to receive up to \$18,000 in combined federal and state homebuyer tax credits. To take advantage of both tax credits, a first-time homebuyer must enter into a purchase contract for a principal residence before May 1, 2010, and close escrow between May 1, 2010 and June 30, 2010, inclusive. Buyers who are not first-time homebuyers may use the same timeframes to receive up to \$16,500 in combined tax credits if they are long-time residents of their existing homes as permitted under federal law, and they purchase properties that have never been previously occupied as provided under California law.

Under the federal law slated to soon expire, a first-time homebuyer may receive up to \$8,000 in tax credits, and a long-time resident may receive up to \$6,500, for certain purchase contracts entered into by April 30, 2010 that close escrow by June 30, 2010. Additionally, under a newly enacted California law, a homebuyer may receive up to \$10,000 in tax credits as a first-time homebuyer or buyer of a property that has never been occupied. The new California law applies to certain purchases that close escrow on or after May 1, 2010 (see Cal. Rev. & Tax Code section 17059.1(a)(4)). California law generally allows buyers of never-occupied properties to reserve their credits before closing escrow, but buyers seeking to combine the federal and state tax credits will not be able to satisfy the timing requirements for such reservations (see Cal. Rev. & Tax Code section 17059.1(c)(1)(A)). Other terms and restrictions apply to both tax credits.

For more information, C.A.R. offers a [Homebuyer Tax Credit Chart](#) with a side-by-side summary of the federal and California laws. C.A.R. also offers a legal article entitled [Homebuyer Tax Credit Update](#).