



MARSHA HALPER/MIAMI HERALD STAFF

**SHARING SPACE:** Debbie Raymond, shown with daughter Bailey, plans to buy a home soon.

## An incentive for home buyers

■ A tax credit up to \$8,000 is offered to first-time home buyers who close before Dec. 1.

*This is the first in a series that will look at selected economic stimulus programs.*

**BY SCOTT ANDRON**  
sandron@MiamiHerald.com

Debbie Raymond has plenty of reason to want a new home.

She has been sharing a room in her parents' house with her 5-year-old daughter, Bailey, since the child was born. In October, she received her license as a registered nurse and landed a nursing job at

South Miami Hospital. Home prices have been falling, bringing a home near her parents' place in Kendall within reach.

But what pushed her to move quickly on her plans was a new tax credit for first-time home buyers — paid for by the federal economic stimulus plan.

"It was an incentive to start looking now," said Raymond, a 34-year-old single mom. "It's making me move faster."

The First-Time Homebuyer Credit basically is a government

grant of up to \$8,000 toward the purchase of a primary residence.

Individuals making less than \$75,000 (or married couples making less than \$150,000) get a credit of \$8,000 toward their income tax if they buy a home and live in it.

Individuals making \$75,000 to \$95,000 (or couples making \$150,000 to \$190,000) can get a smaller amount.

•TURN TO CREDIT, 2E

# A tax credit for home buyers

• CREDIT, FROM 1E

The tax credit is subtracted directly from your total tax bill. For example, if your income-tax liability is \$10,000 for the year and you qualify for the full credit, your tax liability would drop to \$2,000. Or if you owe less in federal taxes than the credit, the Department of the Treasury would send you a refund — depending, of course, on how much in taxes were withheld.

After buying your home, you can either file an amendment to your 2008 tax return, to get the refund as soon as possible, or just claim the credit when you file your 2009 return next year.

The credit is only available for home purchases that close after April 8, 2008, and before Dec. 1 of this year.

For homes bought in 2008, the maximum credit is \$7,500, and it must be repaid over 15 years. The way this works: The IRS would tack a \$500 payment onto your tax bill every year for 15 years. It's like an interest-free loan.

For homes bought in 2009, the money would not have to be repaid unless you move out or sell it in less than three years.

## For more information

- For information from the IRS about the First-Time Homebuyer Credit: <http://tr.im/wRB2>
- Or visit this site created by the National Association of Home Builders: [www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com)
- For information on Florida's FLHOP program, which is supposed to allow homebuyers to get the tax credit upfront: [www.floridahousing.org](http://www.floridahousing.org). This site also has information about other financial-aid programs run by the state.

Even if you have previously owned a home, the government would still consider you a first-time buyer as long as you haven't owned a home within the last three years.

The Florida Legislature earlier this year approved a plan to give the money upfront to people eligible for the tax credit. Participants would have to repay the money when they receive it from the IRS.

The state would distribute these loans through local housing agencies.

As of Friday, however, the state had sent only about \$70,000 to agencies in Miami-Dade County — namely to the cities of Miami and Miami Gardens. No money at all had arrived in Broward or Monroe.

The state is waiting for other local agencies to submit written financial

control procedures to prevent abuse, said Cecka Rose Green, a spokeswoman for the Florida Housing Finance Corp., which is administering the program.

As soon as those documents arrive, officials will immediately look at them and, assuming they are up to par, start sending money, she said.

"We are not trying to sit on the money at all," Green said.

Even without the money upfront, however, the program is attracting more buyers to jump into the market.

"It's an opportunity," said Raymond's real estate agent, Jona Ferrante of Esslinger Wooten Maxwell. "I am so busy, I am working 12 or 14 hours a day because of this. This gives them the incentive. It has encouraged a lot of people."