

## **Over 950 Thousand to Repay Credit**

**According to a report just released by the Treasury Inspector General for Tax Administration (TIGTA), over 950,000 of the 1.8 million First-time Homebuyers will have to repay the tax credit.**

**The confusion stems from the two different programs for 2008 and 2009. For 2008, first-time buyers could deduct dollar-for-dollar up to \$7,500 or 10% of the purchase price, whichever is less, from their tax liability.**

**This amount was an interest free loan which has to be repaid within 15 years. Subsequent laws in 2009, expanded the credit and eliminated the requirement for repayment except for those that sold or no longer resided in the home during the first 36 months of ownership.**

**The study also indicated that the IRS is having a difficult time in identifying those that closed in 2008 vs 2009 but is developing a comprehensive strategy to identify those that will be required to repay. The study further stated that \$10.1 million in Homebuyer Credits were claimed by 1,326 taxpayers who were identified as deceased by the Social Security Administration.**