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*St. Louis Post-Dispatch New Home Folio
St. Charles Journal
Wentzville Journal
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BUILDING YOUR NEXT HOME

COUNTDOWN

Time Running Out for Housing Tax Credit & Details about the Missouri HOPE Program



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OVER THE PAST YEAR AND A HALF, the federal government has enacted a number of special short-term incentives to buy a home. The \$8,000 first-time home buyer and \$6,500 repeat buyer tax credits have inspired millions of Americans to buy homes. But the window of opportunity to take advantage of those tax credits is quickly running out — they expire on April 30, 2010.

There's no time to waste. The IRS allows buyers who sign a sales contract by the April 30 deadline to still be eligible if they close the sale of the home by June 30, 2010. Even though the inventory of move-in ready newly constructed homes has dwindled, builders may still be able complete a home in time.

The National Association of Home Builders estimates that with the expansion and extension of the housing tax credits, close to 70 percent of all potential home buyers could qualify for some form of the current credits.

Many people may think they don't qualify for a housing tax credit when in fact they might, so it is important to understand how the IRS defines the eligibility criteria for the credits as well.

For example, if you owned and sold a home many years ago, you may still qualify for the \$8,000 first-time home buyer credit. The IRS defines "first-time buyer" as someone who has not owned a home in just the past three years. Or, if you sold your home a year ago, but you owned and lived in it for at least five consecutive years out of the past eight, you may still be eligible for the \$6,500 repeat buyer credit if you buy a new principal residence before the deadline.

Finally, the income limits of previous housing tax credits excluded many buyers in higher cost of living areas. But the current credits increased those limits, enabling single taxpayers with incomes up to \$125,000 and married couples earning up to \$225,000 to potentially qualify for the full credit. Partial credits may be available to home buyers earning up to \$20,000 more than those limits.

If you've been considering buying a home for any reason, the new tax credits — combined with interest rates that are hovering at historically low levels and competitive home prices — make it an ideal time to buy. Visit www.federalhousingtaxcredit.com for helpful information including the new documentation requirements for the tax credit, detailed question and answer sections, and links to additional resources.

Home Ownership Purchase Enhancement (HOPE) Program

The Home Ownership Purchase Enhancement (HOPE) Program is a \$15 million initiative designed to jumpstart the state's housing-construction industry. Under the program, eligible Missourians who sign home purchase contracts during calendar year 2010 will be eligible for a financial incentive equal to their first year's property tax, on a first-come, first-served basis. An enhanced incentive is available for Missourians who purchase a new energy-efficient home; purchase and upgrade the efficiency of an existing home; or purchase a home and an energy-efficient item.

Under the HOPE program, the Missouri Housing Development Commission (MHDC) will provide incentives of up to \$1,750 to encourage Missourians to purchase homes. The incentive will equal the cost of the home buyer's first year's property taxes, up to \$1,250.

In addition, Missourians also would be eligible for an enhanced incentive if they purchase an energy-efficient home, purchase and remodel an existing home, or purchase an item, such as an Energy Star appliance, to make the home more energy efficient. If the buyer's estimated property tax would be \$1,250, the energy efficiency enhancement would be \$500. If the buyer's property tax would be less than \$1,250, the individual would be eligible for a larger energy-efficiency incentive, up to a total incentive of \$1,750.

Application forms for the program are available online by visiting www.mo.gov and clicking on the Homebuyer Incentive tab.

Visit www.stlhbba.com to see a variety of homes built by members of the Home Builders Association of St. Louis & Eastern Missouri.

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