

Information regarding Form 5405, First-Time Homebuyer Credit and Repayment of the Credit

(Form 5405 begins on the next page of this document.)

New law extends date required for closing. The Homebuyer Assistance and Improvement Act of 2010 extended the purchase date requirement for homebuyers who entered into a binding contract before May 1, 2010, to purchase a home before July 1, 2010. Under the Act, these homebuyers may claim the credit if their purchase date for the home is before October 1, 2010.

This tax law change requires the following corrections to Form 5405 and instructions. We will issue July 2010 revisions of Form 5405 and its instructions to reflect these changes.

- On page 1 of Form 5405, line C should read: “If the date purchased is after April 30, 2010, and before October 1, 2010, did you enter into a binding contract before May 1, 2010, to purchase the home before July 1, 2010?”
- On page 1 of the instructions under What’s New, the second sentence of item 1 should read: “You can also claim a credit for a home purchased after April 30, 2010, and before October 1, 2010, if you entered into a binding contract before May 1, 2010, to purchase the home before July 1, 2010.”
- On page 1 of the instructions under *First-time homebuyer*, item 1b should read: “After April 30, 2010, and before October 1, 2010, **and** you entered into a binding contract before May 1, 2010, to purchase the property before July 1, 2010.”
- On page 1 of the instructions under *Long-time resident of the same main home*, item 2b should read: “After April 30, 2010, and before October 1, 2010, **and** you entered into a binding contract before May 1, 2010, to purchase the property before July 1, 2010.”

Note Regarding Settlement Statement: While the Form 5405 instructions indicate that a properly executed settlement statement should show the signatures of all parties, the IRS recognizes that the elements of the settlement document, often a Form HUD-1, may vary from jurisdiction to jurisdiction and may not reflect the signatures of the buyer and seller. The settlement statement that must be attached to the return is considered to be properly executed if it is complete and valid according to local law. In locations where signatures are not required, the IRS encourages the buyer to sign the settlement statement prior to attaching it to the tax return even in cases where the settlement form does not include a signature line.

**First-Time Homebuyer Credit and
 Repayment of the Credit**

▶ **Attach to your 2008 or 2009 Form 1040 or Form 1040X.**
 ▶ **See separate instructions.**

OMB No. 1545-0074

Attachment
 Sequence No. **58**

Note. If you are only filing this form to report a disposition or change in use of your main home for which you claimed the credit in 2008, skip this page, and complete only page 2.

Name(s) shown on return	Your social security number : : :
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Part I General Information

- A** Address of home qualifying for the credit (if different from the address shown on page 1 of Form 1040 or Form 1040X)
- B** Date purchased (MM/DD/YYYY) (see instructions) ▶ / /
Note. If the date purchased is before May 1, 2010, go to line E. Otherwise, go to line C.
- C** If the date purchased is after April 30, 2010, and before July 1, 2010, did you enter into a binding contract before May 1, 2010, to purchase the home before July 1, 2010?
 Yes. Go to line E. See instructions for documentation to be attached.
 No. You cannot claim the credit. However, if you (or your spouse if married) are a member of the uniformed services or Foreign Service, or an employee of the intelligence community, see line D. If line D applies, check the box on line D and continue; otherwise, you cannot claim the credit.
- D** If you meet the following conditions, check here ▶
 I (or my spouse if married) am a member of the uniformed services or Foreign Service, or an employee of the intelligence community, and was on qualified official extended duty outside the United States for at least 90 days during the period beginning after December 31, 2008, and ending before May 1, 2010. See instructions.
- E** Did you purchase the home from a related person or a person related to your spouse (see instructions)?
 No. Go to line F.
 Yes. You cannot claim the credit. Do not file Form 5405.
- F** If you are choosing to claim the credit on your return for the year before the year in which you purchased the home, check here (see instructions) ▶

Part II Credit

1 Enter the purchase price of the new home (see instructions)	1		
2 Multiply line 1 by 10% (.10) and enter the result here	2		
3 If you qualify for the credit as (check the applicable box): <input type="checkbox"/> A first-time homebuyer, enter \$8,000 (\$4,000 if married filing separately). A first-time homebuyer is an individual (and that individual's spouse if married) who has not owned another main home during the 3-year period ending on the purchase date and meets other requirements discussed in the instructions. <input type="checkbox"/> A long-time resident, enter \$6,500 (\$3,250 if married filing separately). A long-time resident is an individual (and that individual's spouse if married) who has owned and used the same home as that individual's main home for any 5-consecutive-year period during the 8-year period ending on the purchase date of the new main home and meets other requirements discussed in the instructions. See instructions for documentation to be attached.	3		
4 Enter the smaller of line 2 or line 3. But: (a) if married filing separately, enter the smaller of line 3 or your share of the amount on line 2 (see instructions); or (b) if someone other than your spouse also purchased an interest in the home, enter the smaller of your share of the amount on line 3 or your share of the amount on line 2 (see instructions)	4		
5 Enter your modified adjusted gross income (see instructions)	5		
6 If the date purchased is: • Before November 7, 2009, enter \$75,000 (\$150,000 if married filing jointly), or • After November 6, 2009, enter \$125,000 (\$225,000 if married filing jointly)	6		
7 Is line 5 more than line 6? No. Skip lines 7 and 8. Enter -0- on line 9 and go to line 10. Yes. Subtract line 6 from line 5 and enter the result. If the result is \$20,000 or more, stop here. You cannot take the credit. Otherwise, go to line 8	7		
8 Divide line 7 by \$20,000 and enter the result as a decimal (rounded to at least three places)	8		
9 Multiply line 4 by line 8	9		
10 Subtract line 9 from line 4 and enter the result. This is your credit. Also enter this amount on your 2009 Form 1040, line 67; 2008 Form 1040, line 69; or the appropriate line in the "Payments" section of Form 1040X	10		



If you are claiming the credit on your 2009 (or later) tax return, you must attach a copy of the properly executed settlement statement (or similar documentation) used to complete the purchase (see instructions).

Note. If you are not filing this form to report a disposition or change in use of your main home for which you claimed the credit, skip this page.

Name(s) shown on return	Your social security number : : : : : :
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Part III Disposition or Change in Use of Main Home for Which the Credit Was Claimed

11 Enter the date you disposed of, or ceased using as your main home, the home for which you claimed the credit (MM/DD) ▶ / / 2009

12 If you meet the following conditions, check here ▶
 I (or my spouse if married) am a member of the uniformed services or Foreign Service, or an employee of the intelligence community. I sold the home, or it ceased to be my main home, in connection with Government orders for qualified official extended duty service. No repayment of the credit is required (see instructions). Stop here.

- 13** Check the box below that applies to you. See the instructions for the definition of “related person.”
- a** I sold (including through foreclosure) the home to a person who is not related to me and had a gain on the sale (as figured after reducing the basis of my home by the credit I claimed in 2008). Go to Part IV below.
 - b** I sold (including through foreclosure) the home to a person who is not related to me and did not have a gain on the sale (as figured after reducing the basis of my home by the credit I claimed in 2008). No repayment of the credit is required. Stop here.
 - c** I sold the home to a related person. Go to Part IV below.
 - d** I converted the entire home to a rental or business use OR I still own the home but no longer use it as my main home. Go to Part IV below.
 - e** I transferred the home to my ex-spouse as part of my divorce settlement. The full name of my ex-spouse is ▶ _____

The responsibility for repayment of the credit is transferred to your ex-spouse. Stop here.

- f** My home was destroyed, condemned, or disposed of under threat of condemnation and I acquired or plan to acquire a new home within 2 years of the event.
 - For homes purchased in 2008, repayment of the credit over a 15-year period begins with your 2010 tax return. If you purchase a new home within 2 years of the event, your annual payment requirement does not change.
 - For homes purchased in 2009 or a later year, you may not have to repay the credit (see instructions).
- g** My home was destroyed, condemned, or disposed of under threat of condemnation and I do not plan to acquire a new home within 2 years of the event (see instructions).
- h** The taxpayer who claimed the credit died in 2009. No repayment of the credit is required of the deceased taxpayer. If you are filing a joint return for 2009 with the deceased taxpayer, see instructions. Otherwise, stop here.

Part IV Repayment of Credit Claimed for 2008

14 Enter the amount of the credit you claimed on Form 5405 for 2008. See instructions if you filed a joint return for 2008. If you checked box 13a above, go to line 15. Otherwise, skip line 15 and enter the amount from line 14 on line 16	14		
15 Enter the gain on the sale of your main home (as figured after reducing your basis by the amount on line 14 above)	15		
16 Enter the smaller of line 14 or line 15	16		

Next: Include the amount from line 16 on your 2009 Form 1040, line 60. On the dotted line to the left of line 60, enter “FTHCR”.