

## **ST13-02 First Time Homebuyer Credit Year 2008 – Repayment**

### **First Time Homebuyer Credit for 2008 Purchases**

- Maximum credit \$7,500
- Repayment over 15 years - starting in the tax year 2010 return
- Purchases must have been completed between 4/9/2008 and 12/31/2008

### **First Time Homebuyer Credit for 2009 and 2010 Purchases**

- Credits that were claimed on 2009 and 2010 tax returns do not have to be repaid unless certain repayment triggers are met. This is **OUT OF SCOPE**.

### **Repayments of Credit for 2008 purchases (Sources: Pub 17, Form 5405 Instructions page 5)**

- Repayments for 2008 purchases are normally repaid in 15 equal annual installments beginning in 2010.
- The taxpayer may or may not receive a letter from the IRS for TY 2013. If the taxpayer received the First Time Homebuyer Credit in Year 2008 you can use the [First Time Homebuyer Credit Account Look up tool](#) to determine repay amounts and account balance. There is a link to the First Time Homebuyer Credit Account Look up Tool on the Preparer's page under the Internal Revenue Service below Useful Links.
- If the taxpayer bought the home in 2008 and owned and used it as their main home for all of 2013, **enter the repayment directly on form 1040, line 59b**, without attaching Form 5405.
- If the taxpayer dies, repayment of the credit is not required.
- If the taxpayer filed a joint return and one of them died, the surviving spouse must pay back his or hers half of the credit. The remaining half (the half belonging to the deceased spouse) does not have to be repaid. Enter the surviving spouses half on form 1040, line 59b.
- If the taxpayer made a payment in 2012 that was greater than the minimum, the minimum payment for 2013 is the same as the minimum payment for 2012 (the yearly payment stays constant, the loan will be paid off sooner than 15 years)
- Any other situations requiring use of form 5405 and are OUT OF SCOPE.