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## [Rush for Home Buyers Credit Intensifies](#)

The rush is on to qualify for the home buyer's credit. Under the terms of the ARRA (American Recovery and Reinvestment Act), prospective home buyers must sign a sale and purchase agreement to buy a home by April 30 and close the deal by June 30 to qualify for the home buyers credit. The ARRA rewards those who qualify with up to \$8,000 tax credit. If you were buying a principal home for the first time in more than three years you might receive up to \$8,000 and if you were moving to a new house, you may qualify for up to \$6,500. Up to the end of February, the government had paid out about \$12.6 billion in home buyer's credit.

Generally, the Treasury Department and the real estate industry have considered the credit a success in stimulating the depressed housing market with new sales and stabilizing house prices. But the fact is that a substantial portion of the \$12.6 billion payout was given to those who had the capacity to buy homes even without the credit and in other cases to those who were not even eligible.

Nevertheless, the incentive did propel the sales of homes in many areas, such as in Lafayette, Indiana where sales of homes in March jumped 48% year on year. Many have been lured into the housing market who viewed the credit as something that was too good to pass up.

But market players say that for every one genuine first time home buyer there were at least three others who received the credit even though they did not need it to buy their homes. As such, for each first time home buyer entering the market, the government had spent up to \$32,000.

And worse still, there were tens of thousands of people who collected the credit even though they were not qualified for it. An analysis by the inspector general of the Treasury Department revealed that hundreds of millions of dollars were received under dubious circumstances, in many cases where a sale had not actually transpired or where the buyer was not buying the property for the first time as the scheme had initially required. The inspector general's audit revealed that \$139 million in credit was given out to those who have not yet bought homes and a further \$479 million to those who were not first time home buyers. Likewise, many who received the credit were ineligible because of age. They were not old enough to be a party to any kind of agreement, with one case even involving a four year old.

However, it is contended that even though some of the people who benefited from the credit actually did not need it, the credit did influence them to buy their homes now instead of in a year or two's time. And it is now that the housing market needs the economic activity.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.