

ALERTS AND UPDATES

Homebuyer Tax Credits Extended: And They Said There Were No Second Chances . . .

July 8, 2010



On June 30, 2010, Congress passed H.R. 5623, the Homebuyer Assistance Improvement Act of 2010. The Act, which was signed into law by President Obama on July 2, provides relief to taxpayers who could not meet the key June 30, 2010, closing date to file for first-time homebuyer and long-term homeowner tax credits.

With a stroke of his pen, the president has allowed a second chance for a select group of taxpayers to claim the first-time homebuyer tax credit of up to \$8,000 or the long-term homeowner tax credit of up to \$6,500 in connection with the purchase of a new residence. Taxpayers who have entered into a written, binding contract to purchase a qualified principal residence before May 1, 2010, will now have until September 30, 2010—rather than June 30, 2010—to close on the purchase contract.

This three-month extension of the closing date provides tax relief for those who could not close on time because of backlogs at lenders and federal programs involved in homebuyer loans. In the words of the Act's supporters, the three-month extension "will give time for all the new mortgages to be processed and not punish those homeowners who have been delayed through no fault of their own."

Without the extension, the National Association of Realtors estimates as many as 180,000 homebuyers who were under contract by April 30 missed the June 30 closing deadline and would have lost the tax credit.

For Further Information

If you would like more information about this topic or your own unique situation, please contact [Michael A. Gillen](#), [Annette Bonacquisti](#) or the practitioner with whom you are regularly in contact.

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