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\$23.5 Billion in Homebuyer Tax Credit and Related Loans Paid by IRS

The Homebuyer Tax Credit is one of the government's incentives under the American Reinvestment and Recovery Act (ARRA) 2009 aimed at stimulating the flagging housing industry. First time homebuyers who qualify receive a generous tax credit. Under this scheme, those who have not owned a principle home during the last three years and who purchase their homes between Jan 1 and Dec 1 last year are entitled to an \$8,000 tax credit.

The IRS has so far given out about \$23.5 billion in homebuyer tax credit and other related loans. This is based on those who have filed their tax returns through July 3. Out of this total figure, about \$16.2 billion of that is for the \$8,000 (Recovery Act) and \$6,500 (Assistance Act) grants shelled out to first and second-time homebuyers, respectively. The other \$7.3 billion is for interest-free loans through the Housing Act provision. Those who qualified for these loans will begin repaying them next tax season, which starts in January.

The state that received the most Homebuyer tax credit was California, with its population of nearly 37 million people. The state received \$814 million, according to the Government Accountability Office. This was followed by Florida that received \$455.5 million in homebuyer tax credit money up to now.

Other top recipient states of the Homebuyer Tax Credit money is Georgia that received \$295.8 million, New York was fourth with \$276.9 million followed by Illinois with \$268.7 million.

When calculated on a per resident basis, Nevada received the most money although overall, the state only received \$104 million in Homebuyer Tax Credit dollars. This information was made known by the Government Accountability Office in a written reply to a query by John Lewis (D-Georgia) who is the Chairman of the Oversight Sub-committee of the House Ways and Means Committee.

According to the Government Accountability Office it is estimated that with all of the first-time homebuyer tax credits, the total revenue loss to the federal government will be about \$22 billion.