



**URGENT notice: US Government gives you \$8,000 to buy your 1<sup>st</sup> house!**

Dear friend,

This is true: **until December 1<sup>st</sup>, 2009** the new tax law will give you **up to \$8,000 cash** in form of income tax credit – if you are a first-time homebuyer.

It is a unique opportunity to fulfill the American Dream of owning a house, using government money for your down payment. This is how it works.

Step 1. You have to be a **“first-time homebuyer”** – meaning that you (and your spouse) could not own another house during the **past 3 years**. If you owned a house, but it was more than 3 years ago – then you still qualify as “1<sup>st</sup>-timer.”

Step 2. You must buy a home **before December 1<sup>st</sup>, 2009**. “Going to buy” is not good enough; you must **actually buy** it. Warning: At this point, you will not have your \$8,000 yet, so you need to find another way to close the deal. One good opportunity is to buy a seller-financed house – which means that the previous owner of the house will agree to accept a payment plan from you, instead of full payment up front.

Step 3. If you **have not** filed your 2008 income tax return yet – file an IRS tax return for 2008, attaching a special **form 5405** “First-Time Homebuyer Credit.” Example: If your tax refund is \$500, as a 1<sup>st</sup>-time homebuyer you will receive \$8,000 extra – or \$8,500 total. (Two exceptions: you may receive less than \$8,000 if your home costs less than \$80,000 or if your income is too high: above \$75,000 for singles, \$150,000 for couples)

Using computerized **“e-file” system**, you can receive your money as fast as **10 days**. E-file does not cost you anything extra. With special bank services like “rapid refunds” you can get your money even faster – but it will cost you.

If you **already filed** your 2008 tax return – you can still receive your \$8,000. You need to file so-called “amended” tax return – **form 1040X** and **form 5405** together. You may need an accountant to help you – but you will get your money in about 2 months.

Step 4. Move in and live there for at least **3 years**. If you do not stay in your new home for 3 years – you will need to return the \$8,000 to the government.

In short: if you ever dreamed about buying a house and you can afford monthly payments – do not miss this unique opportunity! It has never happened before, and it may never happen again. Remember: **you must purchase your home BEFORE December 1<sup>st</sup>!**

Michael Plaks, EA\*, Federally licensed income tax accountant