

# 2010 Reservation Request for New Home Credit

## 3549-RR

**Important:** Use this form only for the sale of a home that has never been occupied.

### Part I Property and Contract Information

TYPE or PRINT CLEARLY

Address of Property Under Contract			Parcel Number
City	State	ZIP Code	County

Date of contract ..... ● \_\_\_\_\_  
MM / DD / YYYY

Earnest money deposit ..... ● \_\_\_\_\_ |00

### Part II Seller's Information

Seller's name		
FEIN or CA Corp no.	Secretary of State (SOS) file number	SSN or ITIN
Address (number and street, suite, room, PO Box, or PMB no.)		
City	State	ZIP Code

### Part III Seller's Certification

#### Perjury Statement

Under penalties of perjury, I hereby certify that I have entered into an enforceable contract to sell the property which is a single family residence that has **never been previously occupied**. I certify that the information provided above, to the best of my knowledge and belief, is true and correct.

● Seller's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Seller's contact name: \_\_\_\_\_ Telephone number: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

### Part IV Escrow Information

1 Escrow number ..... ● 1 \_\_\_\_\_

2 Estimated escrow closing date ..... ● 2 \_\_\_\_\_  
MM / DD / YYYY

Escrow company name \_\_\_\_\_

Contact person \_\_\_\_\_

Contact person telephone number (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

3 Total Purchase Price ..... ● 3 \_\_\_\_\_ |00

4 Do all of the buyers, disregarding buyers who will be on title for incidental purposes and will not have an ownership percentage, intend to live in the home as their principal residence and qualify for the credit?  
See instructions before checking the applicable box. .... ●  Yes  No

**Do not complete Line 5 if you checked "No" on Line 4.**

5 Enter 5% (.05) of the Total Purchase Price (line 3) or \$10,000, whichever is less. This is the total credit amount ..... ● 5 \_\_\_\_\_ |00

**Do not complete Line 6 or Line 7 if you checked "Yes" on Line 4.**

6 Enter the Qualified Purchase Price. See instructions to determine the Qualified Purchase Price..... ● 6 \_\_\_\_\_ |00

7 Enter 5% (.05) of the Qualified Purchase Price (line 6) or \$10,000, whichever is less.  
This is the total credit amount ..... ● 7 \_\_\_\_\_ |00

**FAX completed form (Side 1 and Side 2) and applicable pages of the purchase agreement to: 916.855.5577**  
See Section F in the instructions for specific pages of the purchase agreement required to be faxed.

**Part V Qualified Buyer's Information**

Escrow Number: \_\_\_\_\_

**Buyer's Qualifications**

To qualify, you must meet ALL of the following:

- I have entered into an enforceable purchase agreement on or after May 1, 2010, and on or before December 31, 2010, to purchase a single family residence in which I intend to live for a minimum of two years as my principal residence.
- I am purchasing a principal residence which is eligible for the CA homeowner's exemption under R&TC Section 218.
- I have not received the 2009 New Home Credit under R&TC Section 17059.
- I am 18 years old or older as of the date of purchase.
- I am not related to the seller within the meaning of IRC Section 267.
- I do not qualify as a dependent of any other taxpayer for the taxable year of the purchase.

**TYPE or PRINT CLEARLY****Buyer 1.** (Married/RDP couples are considered to be **one** buyer. If married/RDP, enter the combined percentage in the Buyer's Ownership Percentage field.)

First name	MI	Last name	SSN or ITIN
Spouse's/RDP's first name (if applicable)	MI	Spouse's/RDP's last name	Spouse's/RDP's SSN or ITIN
Mailing address (where you want FTB to send your reservation)			
City			State ZIP Code
Buyer's Ownership Percentage _____ • _____ %	Buyer's Individual Credit \$ _____ , _____ .00	Telephone number ( _____ ) _____ - _____	
<b>Perjury Statement:</b> Under penalties of perjury, I declare, to the best of my knowledge and belief, the information on this application is true, correct, and complete, and I meet all of the qualifications.			
Buyer's signature			Date
Spouse's/RDP's signature (if applicable)			Date

**Buyer 2.** (Do not include buyers who will not live in the home, do not qualify for the credit, or are on title for incidental purposes and will not have an ownership interest.)

First name	MI	Last name	SSN or ITIN
Spouse's/RDP's first name (if applicable)	MI	Spouse's/RDP's last name	Spouse's/RDP's SSN or ITIN
Mailing address (where you want FTB to send your reservation)			
City			State ZIP Code
Buyer's Ownership Percentage _____ • _____ %	Buyer's Individual Credit \$ _____ , _____ .00	Telephone number ( _____ ) _____ - _____	
<b>Perjury Statement:</b> Under penalties of perjury, I declare, to the best of my knowledge and belief, the information on this application is true, correct, and complete, and I meet all of the qualifications.			
Buyer's signature			Date
Spouse's/RDP's signature (if applicable)			Date

**Important**

- Submitting this reservation request **does not** guarantee the credit. Form FTB 3549-A, Application for New Home/First-Time Buyer Credit, must still be completed and faxed to FTB along with the properly executed final settlement statement within **two weeks after** escrow closes.
- If you submit this reservation request and the purchase is cancelled, you must notify FTB. See Section A of the instructions.

# Instructions for Form FTB 3549-RR

## Reservation Request for New Home Credit

### What's New

The New Home/First-Time Buyer Credits are available for taxpayers who purchase a qualified principal residence on or after May 1, 2010, and on or before December 31, 2010. Additionally, the New Home Credit is available for taxpayers who purchase a qualified principal residence on or after January 1, 2011, and before August 1, 2011, pursuant to an enforceable purchase agreement executed on or before December 31, 2010.

Taxpayers may apply for the tax credits if they have entered into a contract before May 1, 2010, as long as escrow closes on or after May 1, 2010. However, taxpayers may not request a reservation if the contract was entered into before May 1, 2010.

Taxpayers are only allowed one credit. If a taxpayer qualifies for both the New Home Credit and the First-Time Buyer Credit, the taxpayer will receive the New Home Credit. Each credit is the lesser of five percent of the purchase price of the qualified principal residence or ten thousand dollars (\$10,000). The credits are claimed over three consecutive years, in equal amounts, against net tax. They are not refundable, and there is no carryover provision.

The total allocation amount for each credit is capped at \$100 million for a total of \$200 million between the two credits. Once the \$100 million cap has been reached, we will no longer accept reservation requests or applications for that credit. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **new home** before completing the reservation request or application to see if we are still accepting reservation requests or applications.

### General Information

**Registered Domestic Partner** – For purposes of California income tax, references to a spouse, husband, or wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified.

**Round Cents to Dollars** – Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

### A Purpose

Taxpayers who qualify for the New Home Credit may, but are not required to, request a reservation prior to the close of escrow. Reservations will become important as we near the \$100 million cap for homes that may not close escrow before the cap is reached, as a reservation will “hold the taxpayer’s place in line” until two weeks after escrow closes.

Use form FTB 3549-RR, Reservation Request for New Home Credit, to reserve a New Home Credit. The taxpayer and seller must complete and sign form FTB 3549-RR to certify that they have entered into a purchase agreement on or after May 1, 2010, and on or before December 31, 2010. The completed form

and the applicable pages of the purchase agreement (see Section F) must be faxed to the Franchise Tax Board (FTB) before escrow closes.

FTB will notify the taxpayer whether we have tentatively reserved a credit for them. **The reservation does not guarantee the credit.** Form FTB 3549-A, Application for New Home/First-Time Buyer Credit, must still be completed and faxed to FTB along with the properly executed final settlement statement within **two weeks after** escrow closes.

**Cancellations:** If you requested a reservation, and the purchase is cancelled, write “Cancel” across the top of Side 1 and Side 2 of form FTB 3549-RR that was originally faxed. Fax the cancellation to FTB at 916.855.5577.

Taxpayers may **not** request a reservation if:

- The purchase agreement was entered into before May 1, 2010.
- Escrow has already closed.
- The home has previously been occupied.

**Note:** Taxpayers may not request a reservation for the First-Time Buyer Credit. Taxpayers who qualify for the First-Time Buyer Credit may only apply for the First-Time Buyer Credit by using form FTB 3549-A.

### B Qualifications

Buyers will not be issued a reservation of the New Home Credit if any of the following apply:

- The seller does not certify that he/she has entered into a purchase agreement on or after May 1, 2010, and on or before December 31, 2010, to sell a residence that has never been previously occupied.
- The taxpayer does not intend to occupy the home as his/her principal residence for at least two years immediately following the purchase.
- The taxpayer was allowed a 2009 New Home Credit.
- The taxpayer is under 18 years old.
- The taxpayer or taxpayer’s spouse/RDP is related to the seller.
- The taxpayer qualifies as a dependent of any other taxpayer for the taxable year of the purchase.
- The reservation request is not received before escrow closes.
- The relevant pages of the purchase agreement are not faxed with the reservation request.

**Important:** The reservation will be cancelled if form FTB 3549-A and the properly executed final settlement statement are not received within **two weeks after** escrow closes.

For two or more taxpayers who are not married/RDPs, the credit shall be allocated among the taxpayers who will occupy the home as their principal residence using their percentage of ownership in the property. The total credit allocated to all of these taxpayers shall not exceed ten thousand dollars (\$10,000).

The FTB may request documentation to ensure the parties have complied with the requirements of the credit under Revenue and Taxation Code (R&TC) Section 17059.1.

### C Definitions

“*New Home Credit*” is a credit for a home that has never been previously occupied.

“*Reservation of Credit*” is a New Home Credit that is tentatively reserved prior to the close of escrow for the purchase of a qualified principal residence that has never been occupied.

“*First-Time Buyer Credit*” is a credit for a first-time buyer, as defined below, who is buying a home that has been previously occupied.

“*First-time buyer*” is any individual (and the individual’s spouse/RDP, if married/RDP on the date of purchase) who did not have an ownership interest in a principal residence, either in or out of California, during the preceding three-year period ending on the date of the purchase of the qualified principal residence.

A “*qualified principal residence*” means a single-family residence, whether detached or attached, that is purchased to be the principal residence of the taxpayer, is eligible for the California homeowner’s exemption under R&TC Section 218, and has never been occupied.

- **Types of residence:** Any of the following can qualify if it is your principal residence and is subject to property tax, whether real or personal property: a single family residence, a condominium, a unit in a cooperative project, a houseboat, a manufactured home, or a mobile home.
- **Owner-built property:** A home constructed by an owner-taxpayer is **not** eligible for the New Home Credit because the home has not been “purchased.”

A “*qualified buyer*” is an individual who purchases a single-family residence, whether detached or attached, intends to live in the qualified principal residence for a minimum of two years, is 18 years old or older as of the date of purchase, is not related to the seller, and is not a dependent of any other taxpayer.

“*Total purchase price*” is the price before reduction of ownership percentage.

“*Qualified purchase price*” is the price after reduction of the non-qualified buyers ownership percentage.

“*Purchase date*” is the date escrow closes.

“*Two weeks*” means a 14 calendar day period. We will count the day after escrow closes as the first full day.

**Example:** Escrow closes May 1, 2010. We will accept form FTB 3549-A filed May 1, 2010, through May 15, 2010.

## D Limitations

The credit cannot reduce regular tax below the tentative minimum tax (TMT).

**This credit cannot be carried over and is nonrefundable.**

## E Claiming the Credit

Form FTB 3549-A must still be completed and faxed to FTB along with the final settlement statement within **two weeks after** escrow closes. The buyer must receive a Certificate of Allocation from FTB to claim the credit.

The credit must be claimed on a timely filed original tax return, including tax returns filed on extension. **Exception:** Taxpayers who receive their Certificate of Allocation for the New Home Credit after filing their 2010 tax return may claim the credit on an amended income tax return for that taxable year.

The credit must be applied in equal amounts (1/3 each year) over the three successive taxable years beginning with the taxable year in which the purchase of the qualified principal residence is made. If the available credit exceeds the current year net tax, the credit may not be refunded and the unused credit may not be carried over to the following year.

**Example:** If the taxpayer's credit for the taxable year is \$3,333 and the tax liability is \$300, the taxpayer may only use \$300 of the credit and the unused credit may not be refunded or carried over to the following year.

If you do not live in the home as your principal residence for at least two years immediately following the purchase, any remaining unapplied credit will be canceled and any previously applied credit must be recaptured. For more information, see FTB Pub. 3549, New Home/First-Time Buyer Credit, available after December 15, 2010.

## F Filing Form FTB 3549-RR

Fax the completed form FTB 3549-RR and the relevant pages of the purchase agreement to FTB before escrow closes.

If escrow has opened, it is best that the escrow company, on behalf of the buyer, fax the completed reservation request and purchase agreement. (The buyer retains ultimate responsibility to ensure the completed reservation request and purchase agreement are submitted timely to the FTB.)

Send only the pages of the purchase agreement that show the:

- Property address
- Buyer's name
- Seller's name
- Purchase price
- Deposit amount
- Buyer's signature
- Seller's signature

**Do not** fax the entire purchase agreement.

Send only **one** reservation request per fax. Do not fax the form instructions.

**Do not mail the form.** Reservation requests sent by mail will not be processed.

**FTB's FAX Number** is 916.855.5777

**Do not use any other fax number.** Reservation requests sent to any other FTB fax number will not be processed. Verify the fax confirmation to make sure it was sent to the correct fax number. Keep a copy of the fax confirmation.

Taxpayers will receive a letter from the FTB stating whether the reservation is approved, revised, or denied.

**Important:** The reservation will be cancelled if form FTB 3549-A and a copy of the properly executed final settlement statement are not received within **two weeks after** escrow closes.

We will post a notice on our website when the credit has been fully allocated and we stop accepting reservation requests and applications. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **new home**. For more information, contact Withholding Services and Compliance at:

Telephone: **888.792.4900**  
**916.845.4900**

## Specific Instructions

### Part I – Property and Contract Information

Enter the address of the property under contract to be sold, including the parcel number and county. Enter the date when the purchase agreement was entered into and the earnest money deposit amount.

### Part II – Seller's Information

Enter the name, address, and identification number of the seller. If the seller is an individual, enter the SSN or ITIN. If the seller is a partnership or corporation, enter the FEIN or CA corporation number. If the seller is a limited liability company (LLC), enter the Secretary of State (SOS) file number.

Include the Private Mail Box (PMB) in the address field. Write "PMB" first, then the box number.

**Example:** 111 Main Street PMB 123.

### Part III – Seller's Certification

The seller must complete, sign, and date the Seller's Certification. Only the seller may certify that the property has never been occupied.

### Part IV – Escrow Information

#### Line 1 – Escrow Number

If escrow has opened, enter the escrow number for the property being purchased.

#### Line 2 – Estimated Escrow Closing Date

Enter the estimated escrow closing date. If escrow has opened, complete the escrow information, including the escrow company name, contact person, and telephone number.

#### Line 3 – Total Purchase Price

Enter the Total Purchase Price of the property. If there is more than one buyer, this amount is the total to be paid by all buyers.

## Line 4

To determine the appropriate box to check on line 4, review the instructions and example below.

Do all of the buyers intend to live in the home as their principal residence, AND do all the buyers qualify for the credit? (See Buyer's Qualifications at the top of Side 2 of the form.) Disregard any buyers who will be on title for incidental purposes and will not have an ownership interest.

Check the applicable box.

- If you checked "Yes," go to line 5.
- If you checked "No," but at least one buyer will be living in the home as their principal residence AND qualifies for the credit, go to line 6 of the instructions.
- If you checked "No," and none of the buyers will be living in the home as their principal residence, **STOP**. No one qualifies for the credit. **Do not** send the form to FTB.

**Example 1:** Assume all buyers in this example meet all other qualifications.

Buyer 1, 2, and 3 purchase a new home together. Buyer 1 and 2 are going to live in the home as their principal residence. Buyer 3 is not going to live in the house.

#### Principal residence test:

Only buyer 1 and 2 are qualifying buyers. Check "No" on line 4. Skip line 5; go to line 6.

## Line 5

If you checked "No" on line 4, skip line 5 and go to line 6.

If you checked "Yes" on line 4, enter five percent of the Total Purchase Price, from line 3, or \$10,000, whichever is less. This is the total credit amount. **Do not** complete line 6 or line 7. Go to the instructions for Part V, Qualified Buyer's Information.

#### Example 2:

Total Purchase Price . . . . .	\$250,000
	X 5%
	<u>\$12,500</u>

Since \$12,500 is greater than the maximum credit amount of \$10,000, the total credit amount is \$10,000.

## Line 6

To compute line 6, first complete Part V, Qualified Buyer's Information, on Side 2 of the form, for each qualified buyer. **Do not** enter information for buyers who will not be living in the home as their principal residence for at least two years or buyers who do not qualify for the credit. Do not complete the Buyer's Individual Credit amount yet. This will be computed and entered after completing line 6 and line 7 of form FTB 3549-RR.

After completing the Qualified Buyer's Information (except for the Buyer's Individual Credit), compute the Qualified Purchase Price.

**Qualified Purchase Price**

Compute the Total Qualified Ownership Percentage by adding the Ownership Percentage for each qualified buyer from Part V of the form.

Multiply the Total Qualified Ownership Percentage by the Total Purchase Price amount from line 3 on Side 1 of the form. This is the Qualified Purchase Price. Enter this amount on line 6.

**Example 3:**

The Total Purchase Price on line 3 is \$180,000. There is one non-qualified buyer who will not occupy the home as a principal residence and whose 10% ownership percentage will not be included. There are three qualified buyers with the following listed ownership percentages:

Qualified Buyer	Ownership Percentage
Buyer 1	50.00%
Buyer 2	20.00%
Buyer 3	20.00%
<b>Total Qualified Ownership Percentage</b>	90.00%

Multiply the Total Purchase Price from line 3 by the Total Qualified Ownership Percentage, to compute the Qualified Purchase Price.

Total Purchase Price . . . . . \$180,000  
 Total Qualified Ownership Percentage . . . . . X 90%  
 Qualified Purchase Price . . . . . \$162,000

**The Qualified Purchase Price entered on line 6 would be \$162,000.**

**Line 7**

Enter five percent of the Qualified Purchase Price amount from line 6 or \$10,000, whichever is less.

**This is the total credit amount.**

**Example 4:**

Qualified Purchase Price . . . . . \$162,000  
 X 5%  
 Total credit amount . . . . . \$8,100

**Part V – Qualified Buyer’s Information**

Complete the Qualified Buyer’s Information, on Side 2 of form FTB 3549-RR, for each qualified buyer. If there are more than two qualified buyers, attach additional copies of Side 2 of form FTB 3549-RR, as needed. If the buyer is on title as a grantor or revocable trust, enter the first name, middle initial, and last name of the grantor(s).

**Married/RDP couples are treated as one buyer. Information for both spouses/RDPs should be entered in one buyer block.**

Example 5 at the bottom of the page shows how a married/RDP couple, who are the only buyers and qualify for the full \$10,000 New Home Credit, would complete the Qualified Buyer’s Information.

**Do not** include buyers who are on title for incidental purposes and do not have an ownership interest. Do not include buyers who do not qualify for the credit.

**Buyer’s Ownership Percentage**

This must be your legal ownership percentage. If there is more than one buyer, you may not enter an ownership percentage other than your legal percentage so that one buyer may claim more of the credit.

**Buyer’s Individual Credit**

**If “Yes” is checked on line 4:**

For each qualified buyer, multiply the Buyer’s Ownership Percentage by the Total Credit Amount, on line 5. Enter the Buyer’s Individual Credit amount in Part V, in the respective Buyer’s Individual Credit box for each qualified buyer.

**If “No” is checked on line 4:**

Compute the Buyer’s Individual Credit for each qualified buyer using the following formula:

$$\frac{\text{Buyer's Individual Ownership Percentage}}{\text{Total Qualified Ownership Percentage}} \times \text{Total credit amount}$$

Enter the Buyer’s Individual Credit amount in Part V, in the respective Buyer’s Individual Credit box for each qualified buyer. Round your credit to the nearest whole dollar.

**Example 6:**

There are three qualified buyers with the following ownership percentages:

Buyer 1: 50%  
 Buyer 2: 20%  
 Buyer 3: 20%

The Total Qualified Ownership Percentage is 90% (50%+20%+20%). The total credit from line 7 is \$8,100. The individual credit amount for each buyer will be:

Buyer 1: (50% / 90%) x \$8,100 = \$4,500  
 Buyer 2: (20% / 90%) x \$8,100 = \$1,800  
 Buyer 3: (20% / 90%) x \$8,100 = \$1,800  
 Total credit amount . . . . . \$8,100

**Example 5:** This example shows how a married/RDP couple, who are the only buyers and qualify for the full \$10,000 New Home Credit, should complete the Qualified Buyer’s Information.

First name C H R I S	MI X	Last name B U Y E R	SSN or ITIN 1 2 3 4 5 6 7 8 9
Spouse’s/RDP’s first name (if applicable) P A T	MI X	Spouse’s/RDP’s last name B U Y E R	Spouse’s/RDP’s SSN or ITIN 9 8 7 6 5 4 3 2 1
Mailing address (where you want FTB to send your certificate) 1 2 3 4 B U Y E R W A Y			
City B U Y E R V I L L E			State C A
Zip Code 1 2 3 4 5 1 2 3 4			
Buyer’s Ownership Percentage 1 0 0 . 0 0 %	Buyer’s Individual Credit \$ 1 0 , 0 0 0 . 00	Telephone number ( XXX ) XXX – XXXX	