



Governor Signs \$10,000 Homebuyer Tax Credit Legislation

March 25, 2010

NEW LEGISLATION

\$10000 California First Time Home Buyer and New Home Tax Credit Extended

Governor Arnold Schwarzenegger's proposal to extend the \$10,000 first time home buyer tax credit has been passed by California Legislature. The tax credit would begin May 1st, 1 day after the Federal Tax Credit ends April 30th.

The previous California tax credit limited to a total of \$100 million for new home purchases only was exhausted eight months before the proposed deadline. The initial bill credited over 10,000 home buyers. The new bill appears to double the amount assistance.

New California First Time Home Buyer Tax Credit Highlights

- \$200 million in funds available on a first come, first serve basis – could help over 20,000 home buyers
- New homes for any taxpayer and new/existing homes for first time home buyers
- "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 homeowner's exemption under Section 218, and has either never been occupied or is purchased by a first-time home buyer.
- \$10,000 tax credit or 5% of purchase price (whichever is lower)
- Credit given in 3 payments to a taxpayer's personal income tax returns over 3 year period

For more information on the above legislation please visit the Office of the Governor's website at

<http://gov.ca.gov/press-release/14712/>

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Harvey Gabel

Marketing Manager
Cell: (925) 998-7618
GabelH@ctt.com

David Anderson

Marketing Manager
Cell: (510) 910-6225
David.Anderson@ctt.com



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Chicago Title Montclair

6210 Medau Pl.
Oakland, CA 94611
(510) 987-7177