

Caution: DRAFT FORM

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Information regarding Form 5405
(first-time homebuyer credit)

The attached draft of Form 5405 (Rev. December 2009) reflects the changes made by Public Law 111-92, the Worker, Homeownership, and Business Assistance Act of 2009. The first-time homebuyer credit may be claimed for homes purchased before November 7, 2009, for 2008 by filing the 2008 Form 5405 with a **2008** original or amended return. The 2008 Form 5405 may not be filed with 2009 returns. Only the new December 2009 revision, once issued, may be used for filing with tax year 2009 returns. Likewise, only the December 2009 revision may be used for homes purchased after November 6, 2009, regardless of whether you claim the credit for 2008 or 2009.

We expect to post the final December 2009 revision of Form 5405, and its new separate instructions, on IRS.gov by January 8, 2010.

**First-Time Homebuyer Credit and
 Repayment of the Credit**

▶ Attach to Form 1040 or Form 1040X.
 ▶ See separate instructions.

OMB No. 1545-0074

Attachment
 Sequence No. **58**

Name(s) shown on return

Your social security number

Note. Skip Parts I and II and go to Part III on page 2 if you are only filing this form to report a disposition or change of your main home for which you claimed the credit.

Part I General Information

A Address of home qualifying for the credit (if different from the address shown on page 1 of Form 1040 or Form 1040X)

B Date purchased (MM/DD/YYYY) (see instructions)

Note. If the date purchased is before May 1, 2010, go to line E. Otherwise, go to line C.

C If the date purchased is after April 30, 2010, and before July 1, 2010, did you enter into a binding contract before May 1, 2010, to purchase the home before July 1, 2010?

Yes. Go to line E.

No. You cannot claim the credit. However, if you are a member of the uniformed services or Foreign Service, or an employee of the intelligence community, see line D. If line D applies, check the box on line D and continue; otherwise, you cannot claim the credit.

D If you meet the following conditions, check here

I (or my spouse if married) am a member of the uniformed services or Foreign Service, or an employee of the intelligence community, and was on qualified official extended duty outside the United States for at least 90 days during the period beginning after December 31, 2008, and ending before May 1, 2010. I purchased my home either (1) after November 30, 2009, and before May 1, 2011, or (2) after April 30, 2011, and before July 1, 2011, and entered into a binding contract before May 1, 2011, to purchase the home before July 1, 2011.

E Did you purchase the home from a related person or a person related to your spouse (see instructions)?

No. Go to line F.

Yes. You cannot claim the credit. Do not file Form 5405.

F If you are choosing to claim the credit on your return for the year before the year in which you purchased the home, check here (see instructions)

Part II Credit

1 Enter the purchase price of the new home (see instructions)	1		
2 Multiply line 1 by 10% (.10) and enter the result here	2		
3 If you qualify for the credit as (check the applicable box): <input type="checkbox"/> A first-time homebuyer, enter \$8,000 (\$4,000 if married filing separately). A first-time homebuyer is an individual (and that individual's spouse if married) who has not owned another main home during the 3-year period ending on the purchase date and meets other requirements discussed in the instructions. <input type="checkbox"/> A long-time resident, enter \$6,500 (\$3,250 if married filing separately). A long-time resident is an individual (and that individual's spouse if married) who has owned and used the same home as that individual's main home for any 5-consecutive-year period during the 8-year period ending on the purchase date of the new main home and meets other requirements discussed in the instructions. If someone other than a spouse also purchased an interest in the home, enter only your share of this amount (see instructions)			
4 Enter the smaller of line 2 or line 3	4		
5 Enter your modified adjusted gross income (see instructions)	5		
6 If the date purchased is: • Before November 7, 2009, enter \$75,000 (\$150,000 if married filing jointly), or • After November 6, 2009, enter \$125,000 (\$225,000 if married filing jointly)	6		
7 Is line 5 more than line 6? No. Skip lines 7 and 8. Enter -0- on line 9 and go to line 10. Yes. Subtract line 6 from line 5 and enter the result. If the result is \$20,000 or more, stop here. You cannot take the credit. Otherwise, go to line 8	7		
8 Divide line 7 by \$20,000 and enter the result as a decimal (rounded to at least three places)	8		
9 Multiply line 4 by line 8	9		
10 Subtract line 9 from line 4 and enter the result. This is your credit. Also enter this amount on your 2009 Form 1040, line 67; 2008 Form 1040, line 69; or the appropriate line in the "Payments" section of Form 1040X	10		



If you are claiming the credit on your 2009 (or later) tax return, you must attach certain documentation, such as a properly executed copy of the settlement statement used to complete the purchase (see instructions). If you do not attach the documentation, the credit will be disallowed.

Part III Disposition or Change of Main Home for Which the Credit Was Claimed

- 11** Enter the date the home for which you claimed the credit was disposed of or ceased to be your main home (MM/DD/YYYY) ▶ / /
- 12** If you meet the following conditions, check here ▶
 I (or my spouse if married) am a member of the uniformed services or Foreign Service, or an employee of the intelligence community. I sold the home, or it ceased to be my main home, in connection with Government orders for qualified official extended duty service. No repayment of the credit is required (see instructions). Stop here.
- 13** Check the box below that applies to you. See the instructions for the definition of "related person."
- a** I sold the home to an unrelated person and had a gain on the sale (as figured after reducing the basis of my home by the credit I claimed). Go to Part IV below.
 - b** I sold the home to an unrelated person and did not have a gain on the sale (as figured after reducing the basis of my home by the credit I claimed). No repayment of the credit is required. Stop here.
 - c** I sold the home to a related person. Go to Part IV below.
 - d** I converted the home to a rental or business use OR I still own the home but no longer use it as my main home. Go to Part IV below.
 - e** I transferred the home to my ex-spouse as part of my divorce settlement. The full name of my ex-spouse is ▶ _____

 The responsibility for repayment of the credit is transferred to your ex-spouse. Stop here.
 - f** My home was destroyed, condemned, or disposed of under threat of condemnation and I acquired or plan to acquire a new home within 2 years of the event.
 - For homes purchased in 2008, repayment of the credit over a 15-year period begins in 2010. If you purchase a new home within 2 years of the event, your annual payment requirement does not change.
 - For homes purchased in 2009 or a later year, you may not have to repay the credit (see instructions).
 - g** My home was destroyed, condemned, or disposed of under threat of condemnation and I do not plan to acquire a new home within 2 years of the event (see instructions).
 - h** The taxpayer who claimed the credit died. No repayment of the credit is required of the deceased taxpayer. If the decedent is filing a joint return, see instructions. Otherwise, stop here.

Part IV Repayment of Credit

14	Enter the amount of the credit you claimed on your 2008 Form 5405. See instructions if you filed a joint return for 2008. If you checked box 13a above, go to line 15. Otherwise, skip line 15 and enter the amount from line 14 on line 16		
		14	
15	Enter the gain on the sale of your main home (as figured after reducing your basis by the amount on line 14 above)		
		15	
16	Enter the smaller of line 14 or line 15 here and include it on Form 1040, line 60. On the dotted line to the left of line 60, Enter "FTHCR"		
		16	