

9-25-08 NJHMFA Bulletin - IRS Bulletin IR-2008-106

The Internal Revenue Service (IRS) recently published Bulletin IR-2008-106 entitled "Tax Credit to Aid First-Time Homebuyers" on September 16, 2008. This bulletin outlines the eligibility for the new tax credit which was included in the recently enacted Housing and Economic Recovery Act of 2008. First-time home buyers are not eligible if their home financing comes from tax-exempt mortgage revenue bonds such as the NJHMFA First Time Home Buyer program. Please alert your customers who are using the NJHMFA First Time Home Buyer Program and also recommend to them that they should consult a tax advisor for all income tax matters.

First-time home buyers in the Police and Firemen's Retirement System program may be eligible for the tax credit due to their financing not coming from tax-exempt mortgage revenue bonds. Again, please recommend to these customers to consult a tax advisor for all income tax matters.

The IRS has made the tax credit available to home purchases after April 8, 2008 and before July 1, 2009.

You may view this notice at

<http://www.irs.gov/newsroom/article/0,,id=186831,00.html>.