



HOT TAX TOPICS

New Tax Bill Signed by President Provisions of H.R. 3548, the Worker, Homeownership, and Business Assistance Act of 2009

The legislation will help continue America's economic recovery by extending unemployment benefits for millions of workers looking for jobs, as well as extending, expanding and improving the homebuyer tax credit, and providing tax relief for military families and businesses.

An extension of the First-Time Homebuyer Credit with these changes (all effective after November 6, 2009):

- * The credit is for first-time homebuyers who purchase their homes before July 1, 2010, if there's a binding contract in place before May 1, 2010;
- * There is an increase in the AGI limitations;
- * The purchase price is limited to \$800,000;
- * A credit is available of up to \$6,500 for purchase of principal residence by an individual who has owned and maintained the same principal residence for any five consecutive years during the eight-year period preceding the date of purchase;
- * New anti-abuse provisions have been added.

Five-year carryback of NOLs extended to include 2009 NOLs and broadened to include most businesses, not just small businesses; and mandatory e-filing of individual and estate and trust returns for returns filed by tax return preparers after December 31, 2010.

Passage of this bill will give critical benefits to the millions of unemployed workers struggling in the current downturn, giving them some measure of relief while they search for the next opportunity to build a brighter future for their families," said Ways and Means Committee Chairman Charles B. Rangel (D-NY). **"This legislation also extends the homebuyer tax credit and provides tax relief for struggling businesses to build upon recent gains in the housing market and give American companies a foundation for future growth.**

"This tax credit is an important resource for families who want to purchase a home and a vital part of our economic recovery efforts. Thus far, this credit has helped over 1.4 million households, the majority of whom have incomes below \$50,000. This legislation would help even more moderate-income families fulfill the American dream," said Ways and Means Subcommittee on Oversight Chairman John Lewis (D-GA).