

New Law Spells Tax Relief for More Homeowners

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2 Million Americans Expected to Take Advantage of Extended, Expanded Homebuyer Credit

KANSAS CITY, MO, Nov 16, 2009 (MARKETWIRE via COMTEX) -- More American homebuyers will get tax relief thanks to changes made to the First-Time Homebuyer Credit. H&R Block (NYSE: HRB) advises the popular credit is now more accessible to existing homeowners and first-time homebuyers in three ways:

1. Through a tax credit worth up to \$6,500 for existing homeowners in the market for a new home.
2. Through a new closing deadline of April 30, 2010 -- extended from Nov. 30, 2009 -- for the \$8,000 First-Time Homebuyer Credit. Also, a special provision gives taxpayers two extra months to close if they've entered into a contract by April 30, 2010.
3. By increased phase-out limits that start at \$125,000 for singles and \$225,000 for married filing jointly -- up from \$75,000 and \$125,000 respectively. The new limits apply to homes purchased after Nov. 6, 2009.

Under the new requirements, an estimated 2 million Americans are expected to claim the tax benefit.* The IRS estimates 1.4 million people have already claimed earlier versions of the First-Time Homebuyer Credit.

"From seniors looking to downsize, to families wanting to move, to those shopping for their first home, this credit paves the way for more people to positively impact their taxes through the benefits of homeownership," said Amy McAnarney, executive director of The Tax Institute at H&R Block.

Existing homeowners must have owned and lived in their current home continuously for five of the last eight years to claim the credit of up to \$6,500. Taxpayers must close on the replacement home between Nov. 7, 2009 and April 30, 2010. If taxpayers have entered into a contract on a home by April 30, 2010, they have until June 30, 2010 to close.

"The tax credit of up to \$6,500 for current homeowners could ease the sting of those wanting to move but worried they'll take a loss in the down market," McAnarney said. "More first-time and existing homeowners can take advantage of this valuable tax credit under the new law."

A house must be valued at less than \$800,000 to be eligible for the new \$6,500 or the \$8,000 credit for first-time homebuyers. Taxpayers can claim the credit on their 2009 or 2010 tax returns. A completed settlement statement must be attached to the return in order to claim the credit.

Owning a home can trigger many other tax benefits. Taxpayers should consult their tax professional to ensure they receive all the credits and deductions a new house affords them.

The Tax Institute at H&R Block is a leading source of tax expertise focused on individual taxpayers and the tax preparation industry. Through its staff of enrolled agents, CPAs and attorneys, The Tax Institute provides unbiased research, analysis and interpretation of federal and state tax laws. For more information, visit: www.thetaxinstitute.com.

*National Association of Realtors, Nov. 5, 2009.

About H&R Block

H&R Block Inc. (NYSE: HRB) is the world's preeminent tax services provider, having prepared more than 500 million tax returns since 1955. In fiscal 2009, H&R Block had annual revenues of \$4.1 billion and prepared more than 24 million tax returns worldwide, utilizing more than 120,000 highly trained tax professionals. The Company provides tax return preparation services in person, online through H&R Block Online, through its TaxCut(R) software and through other channels. The Company is also one of the leading providers of business services through RSM McGladrey. For more information visit our Online Press Center at www.hrblock.com/press/index.jsp.

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