

# Kentucky Home Buyer Tax Credits Facts

## Kentucky up to \$5,000 New Home Purchase

- The up to \$5,000 state income tax credit can be applied against state tax liability for the purchase of a new, not previously occupied home in the state of Kentucky.
- To qualify you must fax the New Home Tax Credit form to the Department of Revenue at (502) 564-3706 within seven (7) days of the closing.
- The tax credit is non-refundable, meaning you will not receive a refund of any unused portion and may not be carried forward or backward to another year.
- The home purchased must be a single family dwelling that will be used as the primary residence for at least two years.
- New homes must be purchased, with a complete sale by **December 31, 2010** to qualify.

## Mortgage Credit Certificate

- Through the Kentucky Housing Corporation, the federal government allows first time homeowner an income tax deduction for part of the interest paid each year on a mortgage loan. The Mortgage Credit Certificate gives you a tax credit of up to \$2,000 each year (25% of total interest), which reduces the amount of federal income tax you pay and puts more money in your pocket during the year.
- The credit can be taken for the life of the loan. If you sell your home before nine years you could be subject to a Federal Recapture Tax.



*For more information about the details of the tax credits visit*

*[www.homebuildersnky.com](http://www.homebuildersnky.com)*

*Kentucky tax credits, [www.revenue.ky.gov/dyq.htm](http://www.revenue.ky.gov/dyq.htm)*

*Mortgage Credit Certificate, [www.kyhousing.org](http://www.kyhousing.org)*