

How The Stimulus Bill Helps New Homeowners

Now that President Barack Obama has signed a \$787 billion economic stimulus bill into law, new homeowners will find many incentives to encourage them to participate in its benefits. The law includes the following provisions:

- An \$8,000 income tax credit to people who buy homes between January and November of 2009.
- A lower mortgage payment for the average homeowner. For example, a family with a household income of \$50,000 will, on average, put \$19,000 toward their mortgage, but under the stimulus law, they will pay \$15,500 toward their mortgage, for a savings of \$3,500.
- A total of \$20 billion to help homeowners cover 30 percent of their cost of installing solar panels on the roofs and solar water heaters.
- Tax breaks of up to \$1,500 to insulate homes and install energy-efficient air conditioners, both of which will substantially reduce electric bills as well.

Although not specifically related to new homeowners, the law also includes a provision where individual workers will get \$400 via \$13 extra in their weekly paychecks starting in June, while families will receive an \$800 credit. Single taxpayers who make less than \$75,000, and couples making less than \$150,000, will get the full credit both for 2009 and 2010. Such stimulus payments can of course be used as part of purchasing a new home.

Also, there is a substantial portion of the law devoted to green energy, and for that, the package contains more than \$42 billion in energy-related investments from tax credits to homeowners to loan guarantees for renewable energy projects and direct government grants for makers of wind turbines and next-generation batteries.

More details on the plan as it relates to new homeowners can be found here

(<http://abcnews.go.com/GMA/story?id=6886824&page=1>), here

(<http://www.nctimes.com/articles/2009/02/14/news/sandiego/z2f73c6fa892ab858882575580067645f.txt>) and here (<http://www.washingtonpost.com/wp-dyn/content/article/2009/02/14/AR2009021400520.html>).

For additional information or questions, feel free to contact us at Royal Oaks Building Group and learn how the stimulus package can benefit you in buying your new home this year.

Contact CPA, Accountant, or whatever THEY MAY USE