



State Senator

Robin Wright-Jones

District 5



Column For Week of: **March 2, 2009**

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## Senate Continues Swift Progress Moving Several Measures to the House

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### *First-Time Federal Homebuyer Credit Expanded*

This week, the full Senate gave its final approval to a measure that would implement changes designed to relieve the significant workload of Missouri's public defenders. [Senate Bill 37](#) includes instituting maximum case loads in order to fulfill the constitutional obligation to provide effective counsel and ensure public defenders are not violating guidelines for instances when maximum case load levels are reached. The bill now moves to the House of Representatives for similar consideration.

This is the second week that the full Senate has held afternoon/evening sessions, a practice that will continue through the remainder of the year's legislative session (May 15 this year) in order to debate the hundreds of measures now working their way from committees to the House and Senate floors.

A major component of the federal economic stimulus bill signed into law by the president in February is designed to make the American dream of home ownership a reality by expanding an already significant tax break for first-time buyers.

First-time buyers (defined as anyone who has not owned a home in the past three years) can claim a tax credit of 10 percent of the purchase price of the home. For homes bought from the first of this year to December first of this year, the maximum credit is \$8,000, which is 10 percent of an \$80,000 home. Married individuals filing separately may each file a claim of up to \$4,000. These credits do not have to be paid back so long

as the home is lived in for three or more years following after the purchase date. The credit amount phases out for taxpayers whose adjusted gross income is more than \$75,000, or \$150,000 for joint filers.

As a new added benefit for those still in the house hunt, qualifying taxpayers who buy a home before December first of this year can claim the credit on either their 2008 or 2009 tax returns. This feature allows people to put money in their pockets now rather than having to wait until 2010 to claim their tax credit for 2009.

The expanded provisions do not apply to homes purchases from April 8, 2008 to December 31, 2008. For these taxpayers who are claiming the credit on their 2008 tax returns, the maximum credit remains 10 percent of the purchase price, up to \$7,500, or \$3,750 for married individuals filing separately. In addition, the credit for these 2008 purchases must be repaid, beginning with the 2010 tax year.

For more information on the homebuyer tax credit, visit [www.irs.gov](http://www.irs.gov) and search for “Form 5405, First-Time Homebuyer Credit” or call the St. Louis office of the IRS at (314) 612-4002.

If you have comments or questions about this week’s column or any other matter involving state government, please feel free to contact my office at (573) 751-2606.

*Senator Robin Wright-Jones represents a portion of  
St. Louis City in the Missouri Senate.*



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