



State Senator

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District 14



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Lawmakers Continue Examining Funds to Boost Missouri's Economy

Shortly after our nation's president signed the \$787 billion [economic recovery bill](#) for our nation into law, Missouri quickly began using its portion of the federal stimulus dollars to develop our state's skills and knowledge embodied in our workers, build upon our transportation infrastructure, and continue to study emerging technologies. Devoting time and energy in these areas will help create jobs and return our state's economy into what it had been before these difficult economic times.

The [Senate Select Committee on Oversight of Federal Stimulus](#), a committee on which I serve as the vice-chair, has been busy studying specific strategies for securing the maximum amount of federal dollars for our state. Since the creation of the committee, members have worked to make sure our state is able to receive grants through the plan and well as help direct where the funds should be focused.

There has also been a website created for Missourians to share their ideas about how to create jobs for our state and help get our economy where it needs to be. Under this site (www.transform.mo.gov), you can see where every dollar of the state's allotment of the federal stimulus package is being distributed. You can also submit a specific proposal, project or idea for the funds, and share your ideas on how our state can create jobs in order to transform our economy.

A major component of the federal economic stimulus bill is designed to make the American dream of owning a home a reality by expanding an already significant tax break for first-time homebuyers.

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 searching for a home, 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 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) 751-4106.

*Senator Rita Heard Days represents a portion of
St. Louis County in the Missouri Senate.*



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