

# NAR Legislative Talking Points

## Dodd-Lieberman-Isakson Amendment

### \$8,000 Homebuyer Tax Credit



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#### The Issue:

- **Ask your Senator to support the Dodd-Lieberman-Isakson amendment by extending the \$8,000 first-time homebuyer tax credit.**

#### The Dodd-Lieberman-Isakson amendment would:

- **Extend the tax credit to June 30, 2010.**
- **Expand the credit by removing the first-time homebuyer requirement.**
- **Raise the income limits to \$150,000 (\$300,000 for joint returns).**
- **For purchases made in 2010, taxpayers are able to claim the credit on their 2009 income tax return.**
- **Maintains that homebuyers do not have to repay the credit, provided the home remains their main residence for 36 months after the purchase date.**
- **The 36 month recapture provision is waived for a member of the Armed Forces on active duty who has to move because of a military order.**

#### Why it is needed:

- **The housing market remains fragile.**
  - The market has improved and prices have stabilized in many areas, but the market has not fully corrected. Retaining the credit sustains that recovery.
- **The tax credit has been effective.**
  - NAR research suggests that as many as 355,000 sales this year can be directly attributed to the availability of the credit.
  - One prominent economist attributes 400,000 sales to the availability of the credit.
- **The tax credit stimulated market activity.**
  - The volume of housing sales has improved steadily every month since the credit was enacted.
  - The credit pulled people from the sidelines and created some momentum that had been absent.
- **Home sales continue to stimulate economic activity.**
  - The economy will never fully recover until housing markets fully recover. Thus, the stimulus the credit provides is still needed. NAR estimates that every sale generates approximately \$60,000 of additional economic activity.