

THE AGUIAR GROUP

FEBRUARY 2010

Understanding Tax Credits



2009 was a year full of different tax credit incentives from the Government. We want our clients to be able to take full advantage of these credits and therefore have provided some highlights. We encourage you to contact us for further details specific to your situation.

- **First-time Homebuyer Credit**— This credit, introduced in 2008 has been extended and revised through April 30, 2010. Previous homeowners are now eligible for a \$6,500 credit as long as they have owned a home for 5 out of the previous 8 years. The AGI limit has been increased to \$125,000 for single filers and \$225,000 for joint filers.
- **New American Opportunity Tax Credit**— For 2009 and 2010 the Hope Credit has been revised and renamed to benefit more taxpayers. The maximum credit is \$2,500 per student per year and the definition of eligible expenses is expanded to include course materials as well as tuition and fees. The AGI limit is increased to \$80,000 for single filers and \$160,000 for joint filers.

Important Dates

- **Feb 14 – Valentine’s Day**
Show your loved ones how much you care by having a plan in place in case something happens.
- **Feb 15 – President’s Day**

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Note to Self:

Make sure to provide any receipts for all home improvements made in 2009. There are credits in place for some energy efficient improvements and the sales tax paid is deductible if you itemize.

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