

▶ See separate instructions.

This return is for calendar year ▶ , or fiscal year ended ▶

Please print or type	Your first name and initial	Last name	Your social security number
	If a joint return, spouse's first name and initial	Last name	Spouse's social security number
	Home address (no. and street) or P.O. box if mail is not delivered to your home		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 4 of the instructions.		Phone number ()

A If the address shown above is different from that shown on your last return filed with the IRS, would you like us to change it in our records? Yes No

B Filing status. Be sure to complete this line. **Note.** You cannot change from joint to separate returns after the due date.
 On original return ▶ Single Married filing jointly Married filing separately Head of household Qualifying widow(er)
 On this return ▶ Single Married filing jointly Married filing separately Head of household* Qualifying widow(er)
 * If the qualifying person is a child but not your dependent, see page 4 of the instructions.

Use Part II on the back to explain any changes		A. Original amount or as previously adjusted (see page 4)	B. Net change—amount of increase or (decrease)—explain in Part II	C. Correct amount
Income and Deductions (see Instructions)				
	1 Adjusted gross income (see page 4)	1		
	2 Itemized deductions or standard deduction (see page 4)	2		
	3 Subtract line 2 from line 1	3		
	4 Exemptions. If changing, fill in Parts I and II on the back (see page 5)	4		
	5 Taxable income. Subtract line 4 from line 3	5		
Tax Liability	6 Tax (see page 5). Method used in col. C	6		
	7 Credits (see page 6)	7		
	8 Subtract line 7 from line 6. Enter the result but not less than zero	8		
	9 Other taxes (see page 6)	9		
	10 Total tax. Add lines 8 and 9	10		
Payments	11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see page 6	11		
	12 Estimated tax payments, including amount applied from prior year's return	12		
	13 Earned income credit (EIC)	13		
	14 Additional child tax credit from Form 8812	14		
	15 Credits: Recovery rebate; federal telephone excise tax; or from Forms 2439, 4136, 5405, 8885, or 8801 (refundable credit only)	15		
	16 Amount paid with request for extension of time to file (see page 6)	16		
	17 Amount of tax paid with original return plus additional tax paid after it was filed	17		
	18 Total payments. Add lines 11 through 17 in column C	18		
Refund or Amount You Owe Note. Allow 8-12 weeks to process Form 1040X.				
	19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS	19		
	20 Subtract line 19 from line 18 (see page 6)	20		
	21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 6	21		
	22 If line 10, column C, is less than line 20, enter the difference	22		
	23 Amount of line 22 you want refunded to you	23		
	24 Amount of line 22 you want applied to your estimated tax	24		

Sign Here Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See page 4. Keep a copy for your records.	Your signature	Date	Spouse's signature. If a joint return, both must sign.	Date
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN

Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ()
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Part I Exemptions. See Form 1040 or 1040A instructions.

Complete this part only if you are:

- Increasing or decreasing the number of exemptions claimed on line 6d of the return you are amending, or
- Increasing or decreasing the exemption amount for housing individuals displaced by Hurricane Katrina or for housing Midwestern displaced individuals.

A. Original number of exemptions reported or as previously adjusted	B. Net change	C. Correct number of exemptions
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25	Yourself and spouse Caution. If someone can claim you as a dependent, you cannot claim an exemption for yourself.	25																	
26	Your dependent children who lived with you	26																	
27	Your dependent children who did not live with you due to divorce or separation	27																	
28	Other dependents	28																	
29	Total number of exemptions. Add lines 25 through 28	29																	
30	Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here. <table border="1"> <thead> <tr> <th>Tax year</th> <th>Exemption amount</th> <th>But see the instructions for line 4 on page 5 if the amount on line 1 is over:</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>\$3,500</td> <td>\$118,875</td> </tr> <tr> <td>2007</td> <td>3,400</td> <td>117,300</td> </tr> <tr> <td>2006</td> <td>3,300</td> <td>112,875</td> </tr> <tr> <td>2005</td> <td>3,200</td> <td>108,475</td> </tr> </tbody> </table>	Tax year	Exemption amount	But see the instructions for line 4 on page 5 if the amount on line 1 is over:	2008	\$3,500	\$118,875	2007	3,400	117,300	2006	3,300	112,875	2005	3,200	108,475	30		
Tax year	Exemption amount	But see the instructions for line 4 on page 5 if the amount on line 1 is over:																	
2008	\$3,500	\$118,875																	
2007	3,400	117,300																	
2006	3,300	112,875																	
2005	3,200	108,475																	
31	If you are claiming an exemption amount for housing individuals displaced by Hurricane Katrina, enter the amount from Form 8914, line 2 for 2005 or line 6 for 2006. If you are claiming an exemption amount for housing Midwestern displaced individuals, enter the amount from the 2008 Form 8914, line 2. (See instructions for line 4). Otherwise enter -0-	31																	
32	Add lines 30 and 31. Enter the result here and on line 4	32																	

33 Dependents (children and other) not claimed on original (or adjusted) return:					No. of children on 33 who:	
(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 7)	<input type="checkbox"/> lived with you	<input type="checkbox"/> did not live with you due to divorce or separation (see page 7)
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		
				<input type="checkbox"/>		

Part II Explanation of Changes

Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See pages 2 and 3 of the instructions. Also, check here

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.

If you did not previously want \$3 to go to the fund but now want to, check here
 If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here

First-Time Homebuyer Credit

▶ Attach to Form 1040

Name(s) shown on return

Your social security number

Part I General Information

A Address of home qualifying for the credit (if different from the address shown on return)

B Date acquired (see instructions)

C If you are choosing to claim the credit on your 2008 return for a main home bought after December 31, 2008, and before December 1, 2009, check here (see instructions)

Part II Credit

1 Enter the smaller of:

- \$7,500 (\$8,000 if you purchased your home in 2009), but only half of that amount if married filing separately, or
- 10% of the purchase price of the home.

If someone other than a spouse also held an interest in the home, enter only your share of this amount (see instructions)

2 Enter your modified adjusted gross income (see instructions)

3 Is line 2 more than \$75,000 (\$150,000 if married filing jointly)?

No. Skip lines 3 through 5 and enter the amount from line 1 on line 6.

Yes. Subtract \$75,000 (\$150,000 if married filing jointly) from the amount on line 2 and enter the result

4 Divide line 3 by \$20,000 and enter the result as a decimal (rounded to at least three places).
Do not enter more than 1.000

5 Multiply line 1 by line 4

6 Subtract line 5 from line 1. This is your credit. Enter here and on Form 1040, line 69

1					
2					
3					
4			X		
5					
6					

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 5405 to claim the first-time homebuyer credit. The credit may give you a refund even if you do not owe any tax.

For homes purchased in 2008, the credit operates much like an interest-free loan. You generally must repay it over a 15-year period. For homes purchased in 2009, you must repay the credit only if the home ceases to be your main home within the 36-month period beginning on the purchase date. See *Repayment of Credit* on page 2.

Who Can Claim the Credit

In general, you can claim the credit if you are a first-time homebuyer. You are considered a first-time homebuyer if:

- You purchased your main home located in the United States after April 8, 2008, and before December 1, 2009.
- You (and your spouse if married) did not own any other main home during the 3-year period ending on the date of purchase.

If you constructed your main home, you are treated as having purchased it on the date you first occupied it.

Main home. Your main home is the one you live in most of the time. It can be a house, houseboat, house trailer, cooperative apartment, condominium, or other type of residence.

Who Cannot Claim the Credit

You cannot claim the credit if any of the following apply.

1. Your modified adjusted gross income is \$95,000 or more (\$170,000 or more if married filing jointly). See the instructions for line 2.
2. You are, or were, eligible to claim the District of Columbia first-time homebuyer credit for any tax year. This rule does not apply for a home purchased in 2009.
3. Your home financing comes from tax-exempt mortgage revenue bonds. This rule does not apply for a home purchased in 2009.
4. You are a nonresident alien.
5. Your home is located outside the United States.
6. You sell the home, or it ceases to be your main home, before the end of 2008.
7. You acquired your home by gift or inheritance.
8. You acquired your home from a related person.

A related person includes:

- a. Your spouse, ancestors (parents, grandparents, etc.), or lineal descendants (children, grandchildren, etc.).
- b. A corporation in which you directly or indirectly own more than 50% in value of the outstanding stock of the corporation.
- c. A partnership in which you directly or indirectly own more than 50% of the capital interest or profits interest.

For more information about related persons, see *Nondeductible Loss* in Chapter 2 of Pub. 544, *Sales and Other Dispositions of Assets*. When determining whether you acquired your main home from a related person, family members in that discussion (except item 7) include only the people mentioned in 8a above.

Amount of the Credit

Generally, the credit is the smaller of:

- \$7,500 (\$8,000 if you purchased your home in 2009), but only half of that amount if married filing separately, or
- 10% of the purchase price of the home.

You are allowed the full amount of the credit if your modified adjusted gross income (MAGI) is \$75,000 or less (\$150,000 or less if married filing jointly). The phase-out of the credit begins when your MAGI exceeds \$75,000 (\$150,000 if married filing jointly). The credit is eliminated completely when your MAGI reaches \$95,000 (\$170,000 if married filing jointly).

Repayment of Credit

Homes purchased in 2008. You generally must repay the credit over a 15-year period in 15 equal installments. The repayment period begins in 2010 and you must include the first installment as additional tax on your 2010 tax return.

If your home ceases to be your main home before the 15-year period is up, you must include all remaining annual installments as additional tax on the return for the tax year that happens. This includes situations where you sell the home, you convert it to business or rental property, or the home is destroyed, condemned, or disposed of under threat of condemnation.

If you and your spouse claim the credit on a joint return, each spouse is treated as having been allowed half of the credit for purposes of repaying the credit.

Example 1. You claimed a \$7,500 credit on your 2008 tax return. You must include \$500 ($\$7,500 \div 15$) as additional tax on your 2010 tax return and on each tax return for the next 14 years.

Example 2. You claimed a \$7,500 credit on your 2008 tax return. In 2009, you sold the home to your son. You must include \$7,500 as additional tax on your 2009 tax return.

Exceptions. The following are exceptions to the repayment rule.

- If you sell the home to someone who is not related to you, the repayment in the year of sale is limited to the amount of gain on the sale. (See item 8 under *Who Cannot Claim the Credit* for the definition of a related person.) When figuring the gain, reduce the adjusted basis of the home by the amount of the credit you did not repay.
- If the home is destroyed, condemned, or disposed of under threat of condemnation, and you acquire a new main home within 2 years of the event, you continue to pay the installments over the remainder of the 15-year repayment period.
- If, as part of a divorce settlement, the home is transferred to a spouse or former spouse, the spouse who receives the home is responsible for making all subsequent installment payments.

- If you die, any remaining annual installments are not due. If you filed a joint return and then you die, your surviving spouse would be required to repay his or her half of the remaining repayment amount.

Homes purchased in 2009. You must repay the credit only if the home ceases to be your main home within the 36-month period beginning on the purchase date. This includes situations where you sell the home, you convert it to business or rental property, or the home is destroyed, condemned, or disposed of under threat of condemnation. You repay the credit by including it as additional tax on the return for the year the home ceases to be your main home. If the home continues to be your main home for at least 36 months beginning on the purchase date, you do not have to repay any of the credit.

If you and your spouse claim the credit on a joint return, each spouse is treated as having been allowed half of the credit for purposes of repaying the credit.

Exceptions. The following are exceptions to the repayment rule.

- If you sell the home to someone who is not related to you, the repayment in the year of sale is limited to the amount of gain on the sale. (See item 8 under *Who Cannot Claim the Credit* for the definition of a related person.) When figuring the gain, reduce the adjusted basis of the home by the amount of the credit.
- If the home is destroyed, condemned, or disposed of under threat of condemnation, and you acquire a new main home within 2 years of the event, you do not have to repay the credit.
- If, as part of a divorce settlement, the home is transferred to a spouse or former spouse, the spouse who receives the home is responsible for repaying the credit.
- If you die, repayment of the credit is not required. If you filed a joint return and then you die, your surviving spouse would be required to repay his or her half of the credit.

Specific Instructions

Part I General Information

Line B. Enter the date you acquired the home. This is the date you purchased it (or the date you first occupied it if you constructed your main home).

Line C. You can choose to claim the credit on your 2008 Form 1040 for a main home purchased after December 31, 2008, and before December 1, 2009. If you make this choice, check the box.

Part II Credit

Line 1. If two or more unmarried individuals buy a main home, they can allocate the credit among the individual owners using any reasonable method. The total amount allocated cannot exceed the smaller of \$7,500 (\$8,000 if you purchased your home in 2009) or 10% of the purchase price. See *Purchase price* on page 3.

Note. A reasonable method is any method that does not allocate all or a part of the credit to a co-owner who is not eligible to claim that part of the credit.

Purchase price. The purchase price is the adjusted basis of your home on the date you purchased it. This includes certain settlement or closing costs (such as legal fees and recording fees) and your down payment and debt (such as a first or second mortgage or notes you gave the seller in payment for the home). If you build, or contract to build, a new home, your purchase price can include costs of construction. For more information about adjusted basis, see Pub. 551, Basis of Assets.

Line 2. Your modified adjusted gross income is the amount from Form 1040, line 38, increased by the total of any:

- Exclusion of income from Puerto Rico, and
- Amount from Form 2555, lines 45 and 50; Form 2555-EZ, line 18; and Form 4563, line 15.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.