

# KHC's Home Buyer Tax Credit

## Are you buying a home? Save up to \$2,000 a year on your income taxes!



If you are buying a home, the Kentucky Housing Corporation (KHC) Home Buyer Tax Credit can put more money in your pocket and make your mortgage payment more affordable.

The Tax Credit allows eligible buyers to take a federal tax credit of 25 percent of the mortgage interest paid annually. It can save you up to \$2,000 every year that you occupy your home. The Tax Credit provides a dollar-for-dollar reduction of your federal tax liability, and is in addition to the mortgage interest deduction available to all homeowners.

### Am I Eligible?

The Tax Credit is available to home buyers that meet KHC's purchase price and Mortgage Revenue Bond (MRB) income limits, and are purchasing a primary residence. Income limits vary by county and household size. Visit [www.kyhousing.org](http://www.kyhousing.org) for current MRB income limits.

### How Does the Tax Credit Work?

You claim the Tax Credit on your federal tax return. You can get an immediate benefit from the Tax Credit by changing the number of allowances on your W-4 Form filed with your employer, or wait until the end of the year and receive a larger refund when filing your tax return. Either way, the decreased tax liability saves you money.

As an example, suppose you borrow \$150,000 at 5.0 percent interest. You would pay approximately \$7,500 in interest the first 12 months of your mortgage. With a 25 percent Tax Credit, you could reduce your federal income tax liability by \$1,872 annually or \$156 per month.

Additional restrictions may apply. To find out if you qualify for the tax credit, please contact a KHC Home Buyer Tax Credit-approved lender.

### Learn How the KHC Home Buyer Tax Credit Can Help You

The KHC Home Buyer Tax Credit is offered statewide by KHC through participating lenders. Find a participating lender in your area at [www.kyhousing.org](http://www.kyhousing.org), under *Home Buyers, Home Buyer Tax Credit*.

*For more information on the Home Buyer Tax Credit, contact KHC Single-Family Programs toll-free in Kentucky at 800-633-8896 or 502-564-7630, extension 291; TTY 711; or email [khcuw@kyhousing.org](mailto:khcuw@kyhousing.org).*

[www.kyhousing.org](http://www.kyhousing.org)



Facebook.com/KYHousing



Twitter.com/KYHousing



YouTube.com/KYHousingCorp

**KHC** | Kentucky Housing Corporation  
Investing in quality housing solutions.