

Could the Tax Credit Be Extended Again?

Written by Crystal Webster
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I would love to get your feedback on this one. I, of course, have my own opinions on the matter but would love to hear what others think:

The pressure is increasing on Congress to renew the homebuyers tax credits for a third time.

The first \$7,500 tax credit was passed in 2008 and required first-time buyers to repay the credit over 15 years. A few months later in 2009, Congress expanded the credit to a maximum of \$8,000 that didn't have to be paid back.

At the end of last year, Congress extended the benefit again until April 30 with an extra two months on top of that to close. A new credit of \$6,500 was added for move-up buyers, too.

Now representatives of the housing industry are lobbying for another extension. Some experts, including Mark Zandi, chief economist at Moody's Economy.com, who supported the earlier credits, think the time has come to let it go.

"It's worn out its benefit," he says. "if you extended it again, it isn't going to do much, and what you're doing is providing a tax break to folks who bought anyway."

(Source: The Wall Street Journal, Nick Timiraos - 02/22/2010)