Form	8859						
Department of the Treasury Internal Revenue Service							
Name(s) shown on Form 1040							

**General Information** 

Part I

# District of Columbia First-Time Homebuyer Credit

Attach to Form 1040.

OMB No. 1545-1584 2003 Attachment Sequence No. 106 Your social security number

1

#### Note: Do not complete Parts I and II if you only have a credit carryforward from 2002.

A Ac	dress of home qualifyir	ng for the credit (if different from t	he address shown on Form 1040)				
se	formation from ettlement statement	ate					
Par	t II Tentative	Credit					
1	than \$5,000, enter If someone other	r the purchase price (one-h than a spouse also held a	rately). If the purchase price half of the purchase price if r in interest in the home, enter the purchase price) (see ins	narried filing separately). er only your share of the	1		
2	Enter your modifie	ed adjusted gross income	(see instructions)	2			
3	Is line 2 more that No. Skip lines 3 t Yes. Subtract \$70 amount on li						
4	Divide line 3 by \$2 not enter more th	t least three places). Do	4	× .	1		
5	Multiply line 1 by	line 4			5		
6	Subtract line 5 fro	om line 1. This is your <b>ten</b> t	tative credit		6		
Par	t III Credit Ca	arryforward From 2002					
7	Enter the amount	from line 12 of your 2002	Form 8859		7		
Par	t IV Tax Liabi	lity Limit					
8					8		
9	Enter the total of credit from Form	9					
10	Subtract line 9 fro	om line 8. If zero or less, e	nter -0- here and on line 11	and go to line 12	10		
11	Current year cre completed Part III line 51, and check	11					
12	Credit carryforwa	ard to 2004. Subtract line	11 from line 6 or line 7, wh	ichever applies	12		

For Paperwork Reduction Act Notice, see back of form.

Cat. No. 24779G

Form 8859 (2003)

## **General Instructions**

Section references are to the Internal Revenue Code.

#### **Purpose of Form**

Use Form 8859 to claim the District of Columbia first-time homebuyer credit.

## Who May Claim the Credit

In general, you may claim the credit if:

• You purchased a main home during the tax year in the District of Columbia and

• You (and your spouse if married) did not own any other main home in the District of Columbia during the 1-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.

Your main home is the one you live in most of the time. It can be a house, houseboat, housetrailer, cooperative apartment, condominium, etc.

However, you **may not** claim the credit if **any** of the following apply.

• You acquired your home from certain related persons or by gift or inheritance. For details, see section 1400C(e)(2).

• Your modified adjusted gross income (see the instructions for line 2) is \$90,000 or more (\$130,000 or more if married filing jointly).

• You previously claimed this credit for a different home.

### Amount of the Credit

Generally, the credit is the **smaller** of:

• \$5,000 (\$2,500 if married filing separately) or

- The purchase price of the home. The credit is phased out over a range that:
- Begins when your modified adjusted gross inc

• **Begins** when your modified adjusted gross income exceeds \$70,000 (\$110,000 if married filing jointly) and

• Ends at \$90,000 (\$130,000 if married filing jointly).

#### **Basis Reduction**

You must reduce your basis in the home purchased by the amount of the tentative credit shown on line 6.

# **Specific Instructions**

#### Line 1

If two or more unmarried individuals buy a main home, they may allocate the credit among the individual owners in any manner they choose. The total amount allocated may not exceed \$5,000 (or the purchase price if it was less than \$5,000).

# Line 2

**Modified adjusted gross income** is the amount from Form 1040, line 35, increased by the total of any:

• Exclusion of income from Puerto Rico and

• Amount from Form 2555, lines 43 and 48; Form 2555-EZ, line 18; and Form 4563, line 15.

#### Line 12

Any unused credit shown on line 12 may be carried forward until it has been used. You cannot carry the unused credit back to prior years.

**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 time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping										. 19 n	nin.
Learning about the I	aw										
or the form										. 6 n	nin.
Preparing the form.										. 22 n	nin.
Copying, assembling, and											
sending the form to	the	IR	S							. 20 n	nin.
If you have any comments concerning the accuracy of											

If you have any comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the Instructions for Form 1040.