

Valuable information for buyers and sellers.



Just like there are many types of buyers -- from investors to first timers -- there are also many different types of homes available for purchase. Certain buyers choose a multi-family home so they can earn income renting out the second unit or if they want to live close to a relative, but not share a living space.

Because the law states that a buyer must use their new home as a principal residence in order to claim the tax credit, those considering a two-family dwelling may wonder if they are eligible. According to the Internal Revenue Service, these buyers may qualify for the tax credit for the unit they use as their principal residence, but cannot claim the credit based on the full purchase price.

To figure out the amount of the tax credit that can be claimed, a buyer must divide the purchase price of the home between the two units. The allowable tax credit would then be 10 percent of the portion of the total purchase price that was allocated to the unit used as a principal residence by the buyer. The maximum credit amounts of \$8,000 for first-time buyers and \$6,500 for repeat buyers still apply.

[Click here](#) for more information about the homebuyer tax credit.