

2009 Application for New Home Credit

3528-A

Part I Seller's Certification (Important: Use this form only with the sale of a home that has never been occupied)

PRINT CLEARLY

Seller's Name		
FEIN or CA Corp no.	Secretary of State (SOS) file number	SSN or ITIN
Address (including suite, room, PO Box, or PMB no.)		
City	State	ZIP Code

Address of Property Sold	Parcel Number	County
City	State	ZIP Code

Perjury Statement

Under penalties of perjury, I hereby certify that the property is a single family residence that has **never been previously occupied**. I certify that the information provided above is, to the best of my knowledge, true and correct.

Seller's Signature: _____ Date: _____

Seller's Contact Name: _____ Telephone Number (____) _____ - _____

Part II Escrow Information

1 Escrow Number ● 1 _____

2 Date Escrow Closed. ● 2 _____
MM / DD / YYYY

Escrow Company Name _____

Contact Person _____

Contact Person Telephone Number (____) _____ - _____

3 Total Purchase Price ● 3 _____ | 00

4 Will all the buyers be living in the home as their principal residence? Check applicable box. If Yes, go to line 5.
If No, skip line 5 and see line 6 instructions Yes No

5 Enter 5% (.05) of the Total Purchase Price (line 3) or \$10,000, whichever is less. This is the total credit amount. . . . ● 5 _____ | 00

Do not complete Line 6 or Line 7 if you checked Yes to Line 4.

6 Enter the Qualified Purchase Price. See instructions. ● 6 _____ | 00

7 Enter 5% (.05) of the Qualified Purchase Price (line 6) or \$10,000, whichever is less. This is the total credit amount . . . ● 7 _____ | 00

FAX completed Form (Side 1 and Side 2) to: 916.845.9754

Part III Qualified Buyer's Information

Escrow Number: _____

Perjury Statement

By completing and signing, the Buyer is acknowledging that he/she is purchasing a single family residence in which he/she intends to live for a minimum of two years as his/her principal residence and which is eligible for the homeowner's exemption under R&TC Section 218.

Buyer 1.**PRINT CLEARLY**

Buyer's First Name	Initial	Buyer's Last Name	
Buyer's SSN or ITIN	* Buyer's Ownership Percent	_____ . _____ %	Buyer's Individual Credit \$ _____ .00
Spouse's/RDP's First Name (if applicable)	Initial	Spouse's/RDP's Last Name	
Spouse's/RDP's SSN or ITIN	Buyer's Telephone Number (_____) _____ - _____		
Mailing Address			
City			State Zip Code
Buyer's Signature			Date
Spouse's/RDP's Signature (if applicable)			Date

Buyer 2.

Buyer's First Name	Initial	Buyer's Last Name	
Buyer's SSN or ITIN	* Buyer's Ownership Percent	_____ . _____ %	Buyer's Individual Credit \$ _____ .00
Spouse's/RDP's First Name (if applicable)	Initial	Spouse's/RDP's Last Name	
Spouse's/RDP's SSN or ITIN	Buyer's Telephone Number (_____) _____ - _____		
Mailing Address			
City			State Zip Code
Buyer's Signature			Date
Spouse's/RDP's Signature (if applicable)			Date

Buyer 3.

Buyer's First Name	Initial	Buyer's Last Name	
Buyer's SSN or ITIN	* Buyer's Ownership Percent	_____ . _____ %	Buyer's Individual Credit \$ _____ .00
Spouse's/RDP's First Name (if applicable)	Initial	Spouse's/RDP's Last Name	
Spouse's/RDP's SSN or ITIN	Buyer's Telephone Number (_____) _____ - _____		
Mailing Address			
City			State Zip Code
Buyer's Signature			Date
Spouse's/RDP's Signature (if applicable)			Date

* Married/RDP couples are considered to be **one** buyer. If married/RDP, enter the combined percentage in the Buyer's Ownership Percent field.

Instructions for 3528-A

Application for New Home Credit

General Information

A Purpose

Use form FTB 3528-A, Application for New Home Credit, if you are a **seller** of a new home which has **never been occupied** and are selling to any individual who purchases the residence on or after March 1, 2009, and before March 1, 2010. The seller must first complete Part I of form FTB 3528-A, certifying that the home has never been occupied, and provide a copy to the buyer or escrow person. The buyer will complete the rest of form FTB 3528-A. The escrow person will **FAX** the completed form FTB 3528-A to the Franchise Tax Board (FTB) within **one week** of the close of escrow, at 916.845.9754, and provide a copy to the buyer.

The copy received from the seller or escrow person does not constitute an allocation of the credit to the Buyer; instead the Buyer will receive confirmation from the FTB certifying the allocation of tax credit. The Buyer cannot claim this credit unless they receive an allocation of the credit from the FTB.

Upon receipt of form FTB 3528-A, the FTB will allocate the credit on a first-come first-served basis. The total amount of credit that may be allocated by the FTB must not exceed one hundred million dollars (\$100,000,000).

Registered Domestic Partner – For purposes of California income tax, references to a spouse, a husband, or a wife also refer to a California Registered Domestic Partner (RDP), unless otherwise specified.

Round Cents to Dollars – Round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

B Qualifications

California allows a credit against net tax equal to the **lesser** of 5% (.05) of the purchase price of the qualified principal residence or ten thousand dollars (\$10,000).

The credit shall be:

- Allocated for the purchase of only one qualified principal residence with respect to any taxpayer.
- Claimed only on a timely filed return, including returns filed on extension.
- Applied in equal amounts over the three successive taxable years beginning with the taxable year in which the purchase of the qualified principal residence is made (maximum of \$3,333 per year.)

The credit will not be allocated:

- If the residence has been previously occupied.
- If the taxpayer does not intend to take occupancy of the principal residence for at least two years immediately following the purchase.
- If the application is not received within one week after the close of escrow.

The FTB may request documentation to ensure the parties have complied with the requirements of the credit under Revenue and Taxation Code (R&TC) Section 17059.

The credit must be apportioned equally for two married taxpayers filing separate tax returns, even if their ownership percentage is not equal. For two or more taxpayers who are not married, the credit shall be allocated among the taxpayers who will occupy the home as their principal residence using their percentage of ownership in the property. The total amount of the credits allocated to all of these taxpayers shall not exceed ten thousand dollars (\$10,000).

C Definitions

A *“qualified principal residence”* means a single-family residence, whether detached or attached, that has never been occupied and is purchased to be the principal residence of the taxpayer for a minimum of two years and is eligible for the property tax homeowner's exemption.

- Types of residence: Any of the following can qualify if it is your principal residence and is subject to property tax, whether real or personal property: a single family residence, a condominium, a unit in a cooperative project, a houseboat, a manufactured home, or a mobile home.
- Owner-built property: A home constructed by an owner-taxpayer is not eligible for the New Home Credit because the home has not been “purchased.”

“One week” means a 7 calendar day period. We will count the day after escrow closes as the first full day.

Example: Escrow closes March 1, 2009. We will accept an application filed March 1, 2009 through March 8, 2009.

A *“qualified buyer”* is an individual who purchases a single-family residence, whether detached or attached, and intends to live in the qualified principal residence for a minimum of two years.

“Total purchase price” is the price before reduction of ownership percentage.

“Qualified purchase price” is the price after reduction of the non-qualified buyers ownership percentage.

“Purchase date” is the date escrow closes.

D Limitations

The credit cannot reduce regular tax below the tentative minimum tax (TMT). This credit cannot be carried over.

This credit is nonrefundable.

E Claiming the Credit

The credit is applied against the net tax in equal amounts (1/3 each year) over three successive taxable years, beginning with the taxable year in which the purchase of the qualified principal

residence is made, on a timely filed original return. If the available credit exceeds the current year net tax, the unused credit may not be carried over to the following year.

F Filing Form FTB 3528-A

The escrow person will **FAX** a copy of the form FTB 3528-A to the FTB and send one copy to the buyer within **one week after** the close of escrow. If a seller has several buyers, send only **one** application per FAX.

Do not mail the form.

FTB's FAX Number is 916.845.9754

The FAX number will be disconnected once the \$100,000,000 total allocation amount has been reached. **Do not use any other FAX number.** Applications sent to any other FTB FAX number will not be processed.

We will post a notice on our website at **ftb.ca.gov** when the credit has been fully allocated.

For more information, contact Withholding Services and Compliance at:

888.792.4900

916.845.4900 (not toll-free)

Specific Instructions

Part I – Seller's Certification

Enter the name, address, and identification number of the seller. If the seller is an individual, enter the SSN or ITIN. If the seller is a corporation or partnership, enter the FEIN or CA Corporation number. If the seller is a Limited Liability Company (LLC), enter the Secretary of State (SOS) file number. Include the Private Mail Box (PMB) in the address field. Write “PMB” first, then the box number. **Example:** 111 Main Street PMB 123.

Enter the address of the property sold, including parcel number and county.

Complete the Seller's Certification, sign and date.

Part II – Escrow Information

Line 1 – Escrow Number

Enter the escrow number for the property purchased, if any.

Line 2 – Date Escrow Closed

Enter the date escrow closed. Complete the escrow information including the escrow company name, contact person, and telephone number.

Line 3 – Total Purchase Price

Enter the total purchase price of the property. If there is more than one buyer, this amount is the total paid by all buyers.

Line 4

Check whether all of the buyers will be living in the home as their principal residence. Disregard any buyers on title for incidental purposes who do not have an ownership interest. Check the applicable box. If Yes, go to line 5. If No, go to line 6 of the instructions.

Line 5

Do not complete line 5 if you checked No on line 4.

Enter 5% (.05) of the Total Purchase Price, from line 3, or \$10,000, whichever is less. This is the total credit amount. Do not complete line 6 or line 7. Go to the instructions for Part III, Qualified Buyer's Information, on Page 2.

Example:

Total Purchase Price \$250,000
 X 5%
 \$12,500

Since \$12,500 is greater than the maximum credit amount of \$10,000, the total credit amount is \$10,000.

Line 6

To compute line 6, first complete Part III, Qualified Buyer's Information, on Side 2 of the form, for each qualified buyer. However, do not complete the Buyer's Individual Credit amount. This will be computed and entered after completing line 6 and line 7 of form FTB 3528-A. Do not enter information for buyer(s) on the Qualified Buyer's Information schedule who will not be living in the home as a principal residence for at least two years.

After completing the Qualified Buyer's Information (except for the Buyer's Individual Credit), compute the Qualified Purchase Price.

Qualified Purchase Price

Compute the Total Qualified Ownership Percentage by adding the Ownership Percentage for each Qualified Buyer from Part III of the form.

Multiply the Total Qualified Ownership Percentage by the Total Purchase Price amount from line 3 on Side 1 of the form. This is the Qualified Purchase Price. Enter this amount on Line 6. See the following example.

Example:

The Total Purchase Price on line 3 is \$180,000. There is one non-qualified buyer who will not occupy the home as a principal residence and whose 10% ownership percentage will not be

included. There are three Qualified Buyers with the following listed Ownership Percentages:

Qualified Buyer	Ownership Percentage
Buyer 1	50.00%
Buyer 2	20.00%
Buyer 3	20.00%
Total Qualified Ownership Percentage	90.00%

Multiply the Total Purchase Price from line 3 by the Total Qualified Ownership Percentage, to compute the Qualified Purchase Price.

Total Purchase Price \$180,000
 Total Qualified Ownership Percentage X 90%
 Qualified Purchase Price \$162,000

The Qualified Purchase Price entered on line 6 would be \$162,000.

Line 7

Enter 5% (.05) of the Qualified Purchase Price amount from line 6, or \$10,000, whichever is less.

This is the total credit amount.

Example:

Qualified Purchase Price \$162,000
 Total Qualified Ownership Percentage X 5%
 Total Credit Amount \$8,100

Part III – Qualified Buyer's Information

Complete Part III, Qualified Buyer's Information, on Side 2 of the Form, for each qualified buyer. If there are more than three qualified buyers, attach additional copies of Side 2 of form FTB 3528-A, as necessary. If the buyer is on title as a grantor or revocable trust, enter the first name, middle initial, and last name of the grantor(s). Do not include buyers who are on title for incidental purposes and do not have an ownership interest. The example at the

bottom of the page shows how a married/RDP couple would complete the Qualified Buyer's Information.

Computing the Individual Credit Amount

If Yes is checked on line 4:

For each qualified buyer, multiply the Buyer's Ownership Percentage by the Total Credit Amount, on line 5. Enter the Individual Credit amount in Part III, in the respective Buyer's Individual Credit box for each qualified buyer.

If No is checked on line 4:

Compute the Individual Credit for each Qualified Buyer using the following formula:

$$\frac{\text{Individual Ownership Percentage}}{\text{Total Qualified Ownership Percentage}} \times \text{Total credit amount}$$

Enter the Individual Credit amount in Part III, in the respective Buyer's Individual Credit box for each Qualified Buyer. Round your credit to the nearest whole dollar.

Example:

There are three Qualified Buyers with the following Ownership Percentages:

- Buyer 1 (a married couple): 50%
- Buyer 2 (a single person): 20%
- Buyer 3 (a single person): 20%

The Total Qualified Ownership Percentage is 90% (50%+20%+20%). The total credit from line 7 is \$8,100. The individual credit amount for each buyer will be:

Buyer 1: (50% / 90%) x \$8,100 = \$4,500
 Buyer 2: (20% / 90%) x \$8,100 = \$1,800
 Buyer 3: (20% / 90%) x \$8,100 = \$1,800
 Total credit amount = \$8,100

The total credit can never be more than \$10,000. If allocated, Buyer 1 will take a \$1,500 credit for each of the next three years. Buyer 2 and Buyer 3 will take a \$600 credit each for each of the next three years. The example below shows how Buyer 1 would complete the Qualified Buyer's Information.

Example: Buyer 1

Buyer's First Name H U S B A N D				Initial	Buyer's Last Name X B U Y E R				
Buyer's SSN or ITIN 1 2 3 - 4 5 - 6 7 8 9				* Buyer's Ownership Percent 5 0 . 0 0 %				Buyer's Individual Credit \$ 4 5 0 0 . 00	
Spouse's/RDP's First Name (if applicable) W I F E				Initial	Spouse's/RDP's Last Name X B U Y E R				
Spouse's/RDP's SSN or ITIN 1 2 3 - 4 5 - 6 7 8 9				Buyer's Telephone Number (5 5 5) 5 5 5 - 5 5 5 5					
Mailing Address 1 2 3 4 B U Y E R W A Y									
City B U Y E R V I L L E								State C A	Zip Code 1 2 3 4 5 - 1 2 3 4
Buyer's Signature								Date	
Spouse/s/RDP's Signature (if applicable)								Date	

* Married/RDP couples are considered to be **one** buyer. If married/RDP, enter the combined percentage in the Buyer's Ownership Percent field.