Tax Break Available for 2009 First-Time Homebuyers

The Internal Revenue Service recently announced that taxpayers who qualify for the first-time homebuyer credit and purchase a home this year before December 1, have a special option available for claiming the tax credit either on their 2008 tax returns due April 15 or on their 2009 tax returns next year.

Qualifying taxpayers who buy a home this year before December 1, can get up to $8,000, or $4,000 for married filing separately.

“For first-time homebuyers this year, this special feature can put money in their pockets right now rather than waiting another year to claim the tax credit,” said IRS Commissioner Doug Shulman. “This important change gives qualifying homebuyers cash they do not have to pay back.”

The IRS has posted a reviewed version of Form 5405, First-Time Homebuyers Credit, on IRS.gov. The revised form incorporates provisions from the American Recovery and Reinvestment Act of 2009. The instructions to the revised Form 5405 provide additional information on who can and cannot claim the credit, income limitations and repayment of the credit.

This year, qualifying taxpayers who buy a home before December 1, 2009, can claim the credit on either their 2008 or 2009 tax returns. They do not have to repay the credit, provided the home remains their main home for 36 months after the purchase date. They can claim 10 percent of the purchase price up to $8,000 or $4,000 for married individuals filing separately.

The amount of the credit begins to phase out for taxpayers whose adjusted gross income is more the $75,000, or $150,000 for joint filers.

For purposes of the credit, you are considered to be a first-time homebuyers if you, and your spouse if you are married, did not own any other main home during the three-year period ending on the date of purchase.
The IRS also alerted taxpayers that the new law does not affect people who purchased a home after April 8, 2008, and on or before December 31, 2008. For these taxpayers who are claiming the credit on their 2008 tax returns, the maximum credit remains 10 percent of the purchase price, up to $7,500, or $3,750 for married individuals filing separately. In addition, the credit for these 2008 purchases must be repaid in 15 equal installments over 15 years, beginning with the 2010 tax year.

9 Tips for Home Sellers in 2009

1. **Price correctly from the get-go.** Unless you live in one of a handful of relatively stable U.S. markets, don’t start out too high-priced just to test the waters. Your backup plan of adjusting on the fly may prove futile. Keep that window of opportunity open from the first time for-sale sign appears on your lawn. The first 30 days a home is on the market are when it gets the most attention from potential buyers and their agents.

2. **Fix earlier pricing mistakes.** If you’ve already made the pricing mistake of not following the tip above, consider taking the home off the market and repositioning it for later entry. If you simply persist with that original, now-discounted offering and keep dropping the price as the months go by, lowball buyers and their brokers will be waiting in the wings to see how long you’ll go next month. If you do take the home off the market, make some relatively simple cosmetic improvements such as new paint and landscaping. Then list it again, but at the right price this time.

3. **Looks do matter.** Don’t underestimate the importance of curb appeal. Not only is there an acute price war going on out there, there’s also a beauty contest being staged. You may be strategically located in a quiet cul-de-sac near schools, great health care facilities and fabulous shopping, and you may have easy highway access for that morning commute, but unless your exterior is well coiffed and in sparkling condition, other offering will outshine it. If your home’s outside doesn’t pass the drive-by test, the interior won’t, because it will not be viewed by serious buyers, who are already off to view the next home on their list.

4. **Don’t overdo it.** By contrast, if you go too far in improving your place, you likely will not be able to recoup your remodeling investment. Don’t over-invest to the point where your home greatly exceeds competing properties in your price range and neighborhood. And keep color schemes neutral for best sale potential.
5. **Don’t be an ambiguous seller.**

Either you are going to sell or you aren’t. Why waste everyone’s time, including yours? If you manage to fetch a decent offer with a test listing in this marker, commit to sell. You may be able to buy a better replacement house at a disproportionately lower price with so many steals still out there.

6. **Be an energy miser.** A low-or mid-grade energy retrofit will make your home greener and more marketable, and it won’t bankrupt you. The selling point of seeing thousands of dollars in energy savings down the road is a timely one.

Add a programmable thermostat, re-insulate the attic and water heater and caulk around doors, windows, eaves, edges and joints to better seal them. Consider having a professional energy audit performed. They’re relatively cheap. At least one Web site, [Home Energy Saver](#), offers a do-it-yourself audit tool.

7. **Know all of your options.** If you are among the thousands of homeowners who have lost significant value in their homes or are upside down on your note and can’t refinance, know what your next step may be.

If you can’t get your mortgage agreement modified, negotiate an alternative payment arrangement or find a buyer to assume your payments, you should be aware of the more drastic alternatives open to you.

8. **Become a landlord.** This approach is best for people who aren’t too far behind on their payments. Yes, those newly reset adjustable-rate monthly payments are often higher than the rent you can fetch, but the rental market has made a comeback with so many foreclosure victims out on the streets.

Give first priority to possible lease-option or lease-purchase tenants. In a lease option, a renter pays more than one established monthly rent for the right – but not the obligation – to buy the property later. A lease-purchase pact is similar, but it obligates the renter to buy.

If you are not able to carefully screen renters and doggedly look after your property in any of these scenarios, don’t become a landlord.

9. **Hold fast:** Don’t sell in a panic. Unless you owe more than what your home is worth or face a job change, relocation, divorce, health crisis or other major negative life event, then wait until next year or the year after to sell. Current conditions are not permanent.

For more information concerning this article, contact Peggie at 910-455-5873.
Establishing Your Clothing Budget

Tough economic times cause most of us to reassess our spending. Many times we have to cut spending in areas such as clothing and accessories. Great place to cut. Budgeting your money will still help you be able to get the things you want. Establishing a budget is a very difficult question to answer from a general perspective because everyone’s financial and clothing situation is different. If you have a job that allows you to work in a casual environment where some of your everyday clothing can be incorporated into your daily work outfits. Your overall clothing allowance should be somewhere around 7%. For those that work in a more professional office environment where you are expected to dress the part and dressing the part may overall affect your promotion-ability factor; estimate around 10% of your salary. Keep in mind, this budget should include the costs of alterations and professional cleaning services. It is also important to note that if you are maintaining a household on this salary, i.e. you have children or a spouse you must allocate a portion of this amount to their clothing allowance as well. Here are a few tips that will allow you to set your budget and stay in style.

✓ Invest in Investment Pieces:
Investment pieces are just that – “investment pieces! So, don’t be afraid to spend a little more money on the classics which are required to create a functional wardrobe. Discount stores such as Marshall’s, Ross and DSW could produce some very valuable classics when shopping at these stores.

✓ Don’t Be a Slave to Labels:
When it comes to beautiful dresses, handbags, shoes and scarves there are some designers that are above the bar, however to simply focus all of your efforts into collecting clothing that has a designer label tag regardless of how flattering or well-fitting the item is – is simply not a good option.

✓ Do Apply The Cost-Per-Wear Concept:
For example imagine spending $200.00 on a leather handbag. The leather handbag is an investment piece which can be carried for months or possibly years to come. If you carried this handbag for just six months her cost per wear would be just a little over a dollar per day. To figure Cost per Wear, simple divide the cost of the item by the anticipated times it’ll be worn.

✓ Don’t Charge:
I know to some people this may seem unthinkable; however I think whenever you shop with credit cards you are always tempted to get caught up in the emotional buzz of said item and go well over your budget. If you’re carrying a lot of debt (particularly from past shopping activities) you really need to think long and hard about plunking 7-10% of your income towards clothing. A simple rule of thumb is “Don’t buy it unless you can afford to buy two”. No,
I’m not saying that you should buy two of everything; rather what I am suggesting is that every time you buy something, you take that same dollar amount and apply it towards paying off debt or towards savings. So in effect, that $200 handbag will now cost you $400; $200 to purchase and another $200 in savings or debt payment. The amount of your clothing budget should not match or exceed the amount you are saving or applying towards debt repayment.

✓ Make It Automatic: Now that you have established your clothing budget, the only sure fire way to stick to it is to make it automatic. Here are two great ideas for actually staying on budget.

❖ Low Tech Option: If your budget allows for $100 to be spent a month on clothing. Place this amount of cash in an envelope. When shopping for clothing only spend what is in the envelope. Once this amount is gone you have exhausted your clothing budget for the month.

❖ High Tech Option: Set up a separate checking account and have a specific amount deposited into your account periodically; for example $25 a week. When shopping for clothing only use the debit card associated with this checking account. The nice thing about this option is that if you are not someone who shops on a weekly or monthly basis the money continues to grow towards your much anticipated shopping spree.

✓ Maximize Your Budget: A pair of Jimmy Choo shoes is no longer $500. It’s $500 minus the $165 you will get for selling them on Ebay the following year. Ebay and consignment stores are a great source for stretching your clothing allowance. If you don’t have a lot of designer clothing in your closet you can still receive some financial from making a tax-deductible donation to your local goodwill or charity.

April – More Simple Ways To Lose Weight

➢ Work around the house.
➢ Skip buffets.
➢ Grill, steam or bake instead of frying.
➢ Bicycle to the store instead of driving.
➢ Take the dog to the park.
➢ Ask your doctor about taking a multi-vitamin.
➢ Go for a half-hour walk instead of watching TV.
➢ Use vegetable oils over solid fats.
➢ More carrots, less cake.
Fetch the newspaper yourself.
Sit up straight at work.
Wash the car by hand.
Don’t skip meals.
Eat more celery sticks.
Run when running errands.
Pace the sidelines at kids’ athletic games.

Next month 15 more tips!!

How to Tell the Difference Between Carbon Monoxide (CO) Poisoning and the Flu

Since many of the symptoms of Carbon Monoxide (CO) poisoning are similar to those of the flu, you may not think that CO poisoning could be the result of CO poisoning when:

- You feel better when you are away from your home.
- More than one person in the home gets sick at the same time (it usually takes several days for the flu to pass from person to person).
- Family members who are most affected spend the most time in the home.
- Symptoms occur or get worse shortly after turning on a fuel-burning device or running a vehicle in an attached garage.
- Indoors pets also appear ill, exhibiting symptoms such as drowsiness and lethargy (human flu viruses are not transmitted to pets).
- Generalized aching, low-grade fever, or swollen lymph nodes (these are typical of a cold or flu).

Clothing Swap Tips

April 22 is Earth Day and what better way to celebrate it than organizing a clothing swap. A clothing what? Allow me to explain. Now is the perfect time to go through your closets to see what’s being worn and what is just taking up space. Inevitably you will find clothes that are cute, fashionable, and well, just not you! You knew it was in vogue. It even looked good on you. So you purchased it and ever since it has been decoration for the inside of your closet. The thought of donating it drives the wasteful knife in even further and you just can’t bring yourself to do it.

The answer? Swap it!
Even before the threat of environmental peril hit the mainstream media, clothing swaps have long been trendy among budget-minded fashionable types. And now swapping has become the latest means of recycling, more than just thrift store mistakes are being traded.

Organizing your own clothing swap is pretty simple- just gather a few, fashion-minded friends, set a date, and swap away. It’s a great way to get rid of something that may be a bit too pricey or precious to give to a thrift store. Here are some tips on organizing a successful clothes swap:

- Invite your friends & ask your friends to invite their friends.
- About 10-15 people is the goal - aim for all shapes & sizes.
• If you are hosting the swap at your house, make sure you have at least two full-length mirrors available.

• For those who are modest, make sure there are other rooms available to dress and undress. If this isn't possible, remind people they can wear a body suit or bathing suit underneath their clothing if they wish.

• Clothes swaps can be seasonal, but they don't have to be: The best clothes swaps have all seasons clothing.

• If two people want the same item, you can have fun with this by either a coin toss, or having each person model the item of clothing and have a vote (do this only if you're sure there won't be hard feelings).

• If you have second thoughts about an item you have up for grabs - speak up quickly. A simple "Hmm, I'm not so sure I'm ready to give that up yet," should suffice, before someone else gets too attached to the item.

• Be prepared - for a good time! You'll be surprised how much fun you'll have with a group of women trying on clothing!

• To deal with leftovers. Save them for the next round of clothing swap or be generous and drop them off at a thrift shop. I'm sure there are others who will love to pick up those lovely pieces!

The Month of April “Spotlight”

Buy Fresh, Buy Local
When choosing fruits and vegetables always look for produce that is closest to it's most natural form. The less processed the food, the better. This is one of the many reasons I suggest visiting your local farmers market. It's a great place to purchase fresh, healthy food directly from the farmer or grower. Onslow County Farmers Market is opening for the 2009 market season on April 18th, and it's a perfect time for you to come out and enjoy the best that nature and your local farmers have to offer.

The benefits of shopping locally at the farmers market are numerous. First the market is filled with food that's good for you, brightly colored fruits and vegetables that change with the season. Enjoy corn on the cob, tomatoes and berries in the summer, or squash, sweet potatoes and collards in fall.

The majority of the produce in supermarkets was picked almost a week before it hits the shelves and traveled many, many miles before being sold. When you shop at the farmers market you can be assured that the food you purchase is fresh, hasn't traveled long distances and undergone lots of packaging.
When you buy locally at a farmers market, you're doing your part in reducing the energy consumption needed to support large-scale food systems. You're also helping to put money directly into the pockets of local farmers who don't or can't produce supermarket quantities. And you're buying recently harvested produce – cutting down the time between the harvest and consumption means more nutrients are preserved.

Finally, the farmers market offers great opportunities to try something new. Onslow County farmers and growers are there because they have a passion for their product. They're a wealth of information. Don't be afraid to ask questions, as this can be a great chance to get new ideas and tips for food preparation.

Not only will you experience the health benefits of eating locally, but also you'll have some fun and may well learn something new in the process.

The Onslow County Farmers Market (located at 4024 Richlands Hwy, Jacksonville, NC 28540) 2009 Season begins Saturday April 18th. The Market is open Tuesdays and Saturdays from 8:30am until 1:30pm.

Starting mid-May a second location will open for the Farmers Market on Thursday from 2-7 pm. Vendors will be selling at the old Lowe’s location behind Dick’s Sporting Goods on Western Blvd. This is an effort to provide more produce to the public, and increase accessibility and visibility.

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