



**2009 First-time Home Buyer Savings Account**  
 Annual Reporting Information for Self-Administered Accounts  
 15-63-101 through 15-63-205, MCA

Enter your name here (as it appears on your tax return) \_\_\_\_\_

Enter your social security number \_\_\_\_\_

Enter the name and address of the financial institution where your first-time home buyer savings account is established

\_\_\_\_\_

\_\_\_\_\_

Enter your first-time home buyer savings account number \_\_\_\_\_

Enter the date you first established your first-time home buyer savings account \_\_\_\_\_

Complete the table below reporting the 2009 activity to your first-time home buying savings account. See the instructions for definitions.

Column A	Column B	Column C	Column D	Column E	Column F
Enter the date of your deposits, earnings, or withdrawals.	Enter the amount of your deposits to your first-time home buyer savings account.	Enter the amount of interest or other income earned on your first-time home buyer savings account.	Enter your "eligible cost" withdrawals.	Enter your "non-eligible cost" withdrawals.	Balance – Add the amounts in columns B and C, then subtract any amounts reported in Columns D and E. Enter the result in Column F.
1. Enter in column F the balance of your first-time home buyer savings account as of January 1, 2009. This is the ending balance of your first-time home buyer savings account as of December 31, 2008. If you established your account in 2009 enter zero here as your beginning balance is established on the date of your first deposit.					
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14. Enter the column totals on this line					
If you have an amount entered in line 14, column E, enter it here and on Form 2, Schedule I, line 8. Complete Form FTB-P (Penalty Calculation) if required.					
Enter the ending balance reported on the last line in column F. This is your balance that is carried forward to 2010.					

If you purchased your first-time home in 2009 and have a balance remaining in column F, see the instructions on how to report this balance for income tax purposes.

## General Instructions

### Definitions

**“First-time home buyer”** is a Montana resident individual who has never individually or jointly owned or purchased under a contract or deed a single-family residence in Montana or out-of-state.

**“Single-family residence”** is a manufactured home, trailer or mobile home that is owned and occupied in Montana. It also includes a condominium unit that is owned or purchased under contract for deed.

**“Eligible costs”** are the amounts that you pay for the down payment and allowable closing costs for the purchase of your single-family home in Montana.

**“Non-eligible costs”** are the amounts withdrawn from a first-time home buyer account that are not used for the down payment and allowable closing costs for purchasing your single-family home in Montana.

### **How can I establish a Montana first-time home buyer savings account?**

If you are a first-time home buyer and a resident of Montana, you can establish a first-time home buyer savings account either by yourself or jointly with your spouse. Your account can be established with any financial or investment institution. If you establish your account jointly with your spouse, you can subtract your first-time home buyer savings account deposits only when you file a joint return with your spouse. It is recommended that you and your spouse each establish a separate first-time home buyer account in order for each spouse to subtract their deposits when filing jointly or married filing separately.

Your first-time home buyer savings account can be a self-administered account or an account administered by a financial institution or an accountant. Generally, first-time home buyers self-administer their accounts and do not utilize a third party administrator. When you self-administer your account, please use Form FTB to report your deposits and withdrawals.

Your account has to be a new account established in the first year that you claim the deduction. Existing accounts do not qualify.

### **How much can I contribute to my first-time home buyer savings account this year, and how much of this amount can I subtract from my federal adjusted gross income for 2009?**

There is no limit in any one year on the amount that you may deposit into your first-time home buyer savings account, but there is a limit on the amount that you can subtract from your federal adjusted gross income to arrive at your Montana adjusted gross income.

If you file your return as single, head of household or married filing separately, the maximum amount that you can subtract from your federal adjusted gross income in any one year is \$3,000 plus the interest or other income earned on this amount. If you are filing your return jointly with your spouse, the maximum amount that you can subtract from your federal adjusted gross income is \$6,000 plus the interest or other income earned on this amount. Interest or income earned on the excess deposits cannot be subtracted. Amounts deposited in excess of the limitations listed above, along with interest or other income earned on these excess deposits, cannot be deducted on your 2009 income tax return.

### **How long can I invest in and maintain my first-time home buyer account?**

You can contribute to your first-time home buyer savings account for a period of 10 years. The funds you have in your first-time home buyer account will have to be used to pay for eligible costs for purchasing your first-time home within 10 years after the year you establish your account. Any principal and income in your first-time home buyer account not used to purchase your home after this 10 year period, or after you have purchased your home, is taxed as ordinary income.

### **I opened my first-time home buyer account by transferring more than \$3,000 from my regular savings account to my first-time home buyers account. Can I exclude my excess deposits into my first-time home buyer savings account in subsequent years?**

Yes. As long as you remain a first-time home buyer and have not purchased your first-time home, you can deposit into an account more than the maximum exclusion in any given tax year and may exclude from subsequent years any amounts previously deposited and not deducted as principal in a prior year.

Once you purchase your single-family residence, you are no longer a first-time home buyer. You cannot subtract from federal adjusted gross income any amount deposited into your first-time home buyer account or any excess deposits that were previously made to your first-time home buyer account after purchasing your home.

### **I have a first-time home buyer savings account. I withdrew funds during 2009 that were not used to purchase a home. Are these withdrawals considered “non-eligible cost” and are there any penalties for this withdrawal?**

When you withdraw funds from your first-time home buyer account that are considered “non-eligible costs,” you are subject to a 10% penalty on this withdrawal. You will need to complete Montana Form FTB-P to calculate your penalty. However, non-eligible costs that are withdrawn on the last business day of your tax year are not subject to this 10% penalty.

In all cases, your non-eligible withdrawals are considered ordinary income in the year that you withdraw the funds and are included as an addition to federal adjusted gross income in arriving at Montana adjusted gross income.

### **I have a Montana first-time home buyer account that I established while I was a resident of Montana. I have now moved to another state. Can I still maintain my Montana first-time home buyer account?**

No. A nonresident who files a final return in Montana must report, as income in the final year of residency, the amount of principal and interest previously excluded from adjusted gross income.

As a nonresident, your withdrawal from the account is considered a “non-qualified cost” and the amount of principal and interest or other earnings previously excluded from Montana adjusted gross income is considered ordinary income to Montana and subject to tax and the 10% non-qualified withdrawal penalty.

**Questions?** Please call us toll free at (866) 859-2254 (in Helena, 444-6900), or access Montana State University's Ag/Extension Program website at [www.montana.edu/extensionecon/savingspublications.html](http://www.montana.edu/extensionecon/savingspublications.html).