



For Immediate Release

Friday, Nov. 6, 2009

Grassley: Military Personnel Soon Will Benefit from First-time Homebuyer Tax Credit

WASHINGTON – Sen. Chuck Grassley of Iowa today welcomed the enactment of legislation he co-sponsored to help members of the military benefit from the first-time homebuyer tax credit. The President signed the provision into law today.

“Members of the military are serving abroad for long periods of time and signing up for multiple tours of duty, and they serve under extraordinary circumstances,” Grassley said. “They should have the same opportunity to benefit from a federal tax incentive to buy a house as Americans who aren’t based overseas. Unfortunately, the current structure of the law penalizes members of the military. That needed to be corrected. It’s good to get this fix on the books.”

Grassley is a co-sponsor of the Service Members Home Ownership Act, introduced by Sen. Claire McCaskill of Missouri. The legislation allows members of the military to benefit from the first-time homebuyer tax credit, which became law earlier this year as part of the economic stimulus package.

This week, Congress gave final approval to an extension of the first-time homebuyers’ credit. The provision continues the \$8,000 first-time homebuyer credit through April 30, 2010, allowing purchasers under a binding contract an additional 60 days to close after that date. It also provides a \$6,500 credit to new purchasers who have lived in their current residence for five years or more.

The legislation allows military personnel serving outside the United States for at least 90 days in 2009 or 2010 one additional year to qualify for the credit. It also eliminates the repayment requirement for military personnel forced to sell as a result of official service. The legislation also excludes from tax any payment to military personnel to compensate them for loss in home value resulting from base closure.

According to the Department of Defense, 1.4 million active duty members of the military are deployed around the world. “Military personnel are hard-working wage

earners, and like their fellow Americans, should have the chance to help themselves and help the economy with a home purchase,” Grassley said.