



For Immediate Release
Wednesday, Oct. 28, 2009

Grassley Works to Help Military Personnel With First-time Homebuyer Tax Credit

WASHINGTON – Sen. Chuck Grassley of Iowa is a co-sponsor of legislation to help members of the military benefit from the first-time homebuyer tax credit, which is likely to be extended and possibly expanded in the coming weeks.

“Members of the military are serving abroad for long periods of time and signing up for multiple tours of duty,” 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 needs to be corrected.”

Grassley is a co-sponsor of the *Service Members Home Ownership Act* (S. 1728), introduced last month by Sen. Claire McCaskill of Missouri. The bill is expected to be incorporated into legislation to extend and possibly expand the homebuyer tax credit before it expires.

The new 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, called the *American Recovery and Reinvestment Act*. The tax credit of up to \$8,000 is available to qualified home buyers toward the purchase of a first home, provided the purchase is made by November 30, 2009.

For members of the armed, intelligence, and foreign services whose overseas deployments could have prevented them from taking full advantage of the tax credit, the *Service Members Home Ownership Act* would extend the deadline for one additional year, through November 30, 2010, for individuals serving on official extended duty service outside the United States for at least 90 days in 2009.

Additionally, the bill would ensure that service members do not have to repay the first-time homebuyer tax credit if they are deployed overseas or assigned to a new military station within three years of purchase.

The bill also would exclude from gross income payments to military personnel to compensate for declines in housing values due to a base closure or realignment.

According to the Department of Defense, 1.4 million active duty members of the military are deployed around the world.

Congress is considering extending the \$8,000 tax credit for first-time homebuyers with one that expands access to more purchasers. The extension and expansion would help the economic recovery by encouraging home sales.

“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.