

# Home Buyer Tax Credits

Brought to you by the National Association of Home Builders

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## Special Rules for Members of the Military, the Foreign Service and the Intelligence Community

Congress has acknowledged the unique circumstances affecting members of the military, the foreign service and the intelligence community by making the following exceptions that apply to both the \$8,000 tax credit for first-time home buyers and the \$6,500 tax credit for repeat home buyers.

### Exemption From Tax Credit Recapture Rules

- Typically, homes that are sold or that cease to be used as a principal residence within three years of the initial purchase are subject to recapture of the tax credit.
- However, qualified service members who sell or move from a tax credit home within three years of the initial purchase due to official extended duty are exempt from the recapture rule.

### Extension of Tax Credit Deadlines

- The home buyer tax credit is available for qualified purchases with a binding sales contract in place on or before April 30, 2010 and closed by June 30, 2010.
- However, for qualified service members who are ordered on a period of official extended duty, these dates are extended for one year. For these home buyers, the tax credit applies to sales with a binding sales contract in place on or before April 30, 2011 and closed by June 30, 2011.
- A person who is forced to return to the U.S. for medical reasons before completing an assignment of at least 90 days of qualified official extended duty outside of the United States may qualify for the one-year extension.

### Definitions

- "Qualified service member" means a member of the uniformed services of the U.S military, a member of the Foreign Service of the U.S., or an employee of the intelligence community.
- "Official extended duty" means any period of extended duty outside of the United States for at least 90 days during the period beginning after December 31, 2008 and ending before May 1, 2010.

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ABOUT NAHB: The National Association of Home Builders is a Washington, D.C.-based trade association representing more than 175,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. Known as "the voice of the housing industry," NAHB is affiliated with more than 800 state and local home builders associations around the country. NAHB's builder members will construct about 80 percent of the new housing units projected for 2010.



1201 15th Street, NW  
Washington, DC 20005

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