

What you should know about the

Homebuyer Tax Credit

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



Recognizing their unique circumstances, Congress approved exceptions that give qualified members of the military, foreign service and intelligence communities an extra year to buy a home and claim the federal homebuyer tax credit. The exceptions apply to both the \$8,000 tax credit for first-time homebuyers and the \$6,500 tax credit for existing homeowners who purchase another home.

Extension of Tax Credit Rules

- The homebuyer tax credit extension is available for qualified purchases with a binding sales contract in place on or before April 30, 2011, and closed by June 30, 2011. Qualified service members (and if married, the service members' spouses) who served on official extended duty outside the U.S. for 90 days or more at any time between Jan. 1, 2009, and April 30, 2010, are eligible.
- A person 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 the U.S. may also qualify for the one-year extension.

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 (repayment) 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 assignments are exempt from the recapture rule.

Definitions: **Qualified service member** means a member of the uniformed services of the U.S. military, a member of the U.S. Foreign Service or an employee of the intelligence community. **Official extended duty** means any period of extended duty outside the U.S. for at least 90 days during the period between Jan. 1, 2009, and April 30, 2010.

Note: Only one spouse must be overseas on official extended duty for the requisite amount of time for either spouse to be eligible for the 2011 extension to purchase a principal residence and claim the credit.

Special Military Homebuyer Tax Break is About to Expire!

- \$8,000 for first time homebuyers
- \$6,500 for existing homeowners

Call or email me today to see if you qualify

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21 years and 10 moves - I know what it means to PCS