

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3590

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## AN ACT

To amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Service Members  
3 Home Ownership Tax Act of 2009”.

4 **SEC. 2. WAIVER OF RECAPTURE OF FIRST-TIME HOME-**  
5 **BUYER CREDIT FOR INDIVIDUALS ON QUALI-**  
6 **FIED OFFICIAL EXTENDED DUTY.**

7 (a) **IN GENERAL.**—Paragraph (4) of section 36(f) of  
8 the Internal Revenue Code of 1986 is amended by adding  
9 at the end the following new subparagraph:

10 “(E) **SPECIAL RULE FOR MEMBERS OF**  
11 **THE ARMED FORCES, ETC.**—

12 “(i) **IN GENERAL.**—In the case of the  
13 disposition of a principal residence by an  
14 individual (or a cessation referred to in  
15 paragraph (2)) after December 31, 2008,  
16 in connection with Government orders re-  
17 ceived by such individual, or such individ-  
18 ual’s spouse, for qualified official extended  
19 duty service—

20 “(I) paragraph (2) and sub-  
21 section (d)(2) shall not apply to such  
22 disposition (or cessation), and

23 “(II) if such residence was ac-  
24 quired before January 1, 2009, para-  
25 graph (1) shall not apply to the tax-  
26 able year in which such disposition (or

1                   cessation) occurs or any subsequent  
2                   taxable year.

3                   “(ii) QUALIFIED OFFICIAL EXTENDED  
4                   DUTY SERVICE.—For purposes of this sec-  
5                   tion, the term ‘qualified official extended  
6                   duty service’ means service on qualified of-  
7                   ficial extended duty as—

8                                 “(I) a member of the uniformed  
9                                 services,

10                                “(II) a member of the Foreign  
11                                Service of the United States, or

12                                “(III) as an employee of the in-  
13                                telligence community.

14                                “(iii) DEFINITIONS.—Any term used  
15                                in this subparagraph which is also used in  
16                                paragraph (9) of section 121(d) shall have  
17                                the same meaning as when used in such  
18                                paragraph.”.

19                   (b) EFFECTIVE DATE.—The amendment made by  
20                   this section shall apply to dispositions and cessations after  
21                   December 31, 2008.

1 **SEC. 3. EXTENSION OF FIRST-TIME HOMEBUYER CREDIT**  
2 **FOR INDIVIDUALS ON QUALIFIED OFFICIAL**  
3 **EXTENDED DUTY OUTSIDE THE UNITED**  
4 **STATES.**

5 (a) **IN GENERAL.**—Subsection (h) of section 36 of the  
6 Internal Revenue Code of 1986 is amended—

7 (1) by striking “This section” and inserting the  
8 following:

9 “(1) **IN GENERAL.**—This section”, and

10 (2) by adding at the end the following:

11 “(2) **SPECIAL RULES FOR INDIVIDUALS ON**  
12 **QUALIFIED OFFICIAL EXTENDED DUTY OUTSIDE**  
13 **THE UNITED STATES.**—In the case of any individual  
14 who serves on qualified official extended duty service  
15 outside the United States for at least 90 days in cal-  
16 endar year 2009 and, if married, such individual’s  
17 spouse—

18 “(A) paragraph (1) shall be applied by  
19 substituting ‘December 1, 2010’ for ‘December  
20 1, 2009’,

21 “(B) subsection (f)(4)(D) shall be applied  
22 by substituting ‘December 1, 2010’ for ‘Decem-  
23 ber 1, 2009’, and

24 “(C) in lieu of subsection (g), in the case  
25 of a purchase of a principal residence after De-  
26 cember 31, 2009, and before July 1, 2010, the

1 taxpayer may elect to treat such purchase as  
2 made on December 31, 2009, for purposes of  
3 this section (other than subsections (e) and  
4 (f)(4)(D)).”.

5 (b) COORDINATION WITH FIRST-TIME HOMEBUYER  
6 CREDIT FOR DISTRICT OF COLUMBIA.—Paragraph (4) of  
7 section 1400C(e) of such Code is amended by inserting  
8 “(December 1, 2010, in the case of a purchase subject  
9 to section 36(h)(2))” after “December 1, 2009”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to residences purchased after No-  
12 vember 30, 2009.

13 **SEC. 4. EXCLUSION FROM GROSS INCOME OF QUALIFIED**  
14 **MILITARY BASE REALIGNMENT AND CLO-**  
15 **SURE FRINGE.**

16 (a) IN GENERAL.—Subsection (n) of section 132 of  
17 the Internal Revenue Code of 1986 is amended—

18 (1) in subparagraph (1) by striking “this sub-  
19 section) to offset the adverse effects on housing val-  
20 ues as a result of a military base realignment or clo-  
21 sure” and inserting “the American Recovery and  
22 Reinvestment Tax Act of 2009)”, and

23 (2) in subparagraph (2) by striking “clause (1)  
24 of”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this act shall apply to payments made after February 17,  
3 2009.

4 **SEC. 5. INCREASE IN PENALTY FOR FAILURE TO FILE A**  
5 **PARTNERSHIP OR S CORPORATION RETURN.**

6 (a) IN GENERAL.—Sections 6698(b)(1) and  
7 6699(b)(1) of the Internal Revenue Code of 1986 are each  
8 amended by striking “§89” and inserting “§110”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to returns for taxable years begin-  
11 ning after December 31, 2009.

12 **SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED**  
13 **TAXES.**

14 The percentage under paragraph (1) of section  
15 202(b) of the Corporate Estimated Tax Shift Act of 2009  
16 in effect on the date of the enactment of this Act is in-  
17 creased by 0.5 percentage points.

Passed the House of Representatives October 8,  
2009.

Attest:

*Clerk.*