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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Service Members Home Ownership Tax Act of 2009”.
SEC. 2. WAIVER OF RECAPTURE OF FIRST-TIME HOME-Buyer Credit for Individuals on Qualified Official Extended Duty.

(a) In General.—Paragraph (4) of section 36(f) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(E) Special rule for members of the armed forces, etc.—

“(i) In general.—In the case of the disposition of a principal residence by an individual (or a cessation referred to in paragraph (2)) after December 31, 2008, in connection with Government orders received by such individual, or such individual’s spouse, for qualified official extended duty service—

“(I) paragraph (2) and subsection (d)(2) shall not apply to such disposition (or cessation), and

“(II) if such residence was acquired before January 1, 2009, paragraph (1) shall not apply to the taxable year in which such disposition (or cessation) occurs or any subsequent taxable year.
“(ii) QUALIFIED OFFICIAL EXTENDED DUTY SERVICE.—For purposes of this section, the term ‘qualified official extended duty service’ means service on qualified official extended duty as—

“(I) a member of the uniformed services,

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

“(III) as an employee of the intelligence community.

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

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

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

(a) IN GENERAL.—Subsection (h) of section 36 of the Internal Revenue Code of 1986 is amended—
(1) by striking “This section” and inserting the following:

“(1) IN GENERAL.—This section”, and

(2) by adding at the end the following:

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

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

“(B) subsection (f)(4)(D) shall be applied by substituting ‘December 1, 2010’ for ‘December 1, 2009’, and

“(C) in lieu of subsection (g), in the case of a purchase of a principal residence after December 31, 2009, and before July 1, 2010, the taxpayer may elect to treat such purchase as made on December 31, 2009, for purposes of this section (other than subsections (e) and (f)(4)(D)).”.
(b) COORDINATION WITH FIRST-TIME HOMEBUYER CREDIT FOR DISTRICT OF COLUMBIA.—Paragraph (4) of section 1400C(e) of such Code is amended by inserting “(December 1, 2010, in the case of a purchase subject to section 36(h)(2))” after “December 1, 2009”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to residences purchased after November 30, 2009.

SEC. 4. EXCLUSION FROM GROSS INCOME OF QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.

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

(1) in subparagraph (1) by striking “this subsection) to offset the adverse effects on housing values as a result of a military base realignment or closure” and inserting “the American Recovery and Reinvestment Tax Act of 2009)”, and

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

(b) EFFECTIVE DATE.—The amendments made by this act shall apply to payments made after February 17, 2009.
SEC. 5. INCREASE IN PENALTY FOR FAILURE TO FILE A PARTNERSHIP OR S CORPORATION RETURN.

(a) In General.—Sections 6698(b)(1) and 6699(b)(1) of the Internal Revenue Code of 1986 are each amended by striking “$89” and inserting “$110”.

(b) Effective Date.—The amendments made by this section shall apply to returns for taxable years beginning after December 31, 2009.

SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

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

Passed the House of Representatives October 8, 2009.

Attest: LORRAINE C. MILLER,

Clerk.
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.

Read the second time and placed on the calendar.

OCTOBER 13, 2009