



Extension and Expansion of the First-Time Home Buyers Act

The Worker, Homeownership and Business Assistance Act of 2009 extends the first-time buyer credit allowed by previous Acts. The new law:

- Extends deadlines for purchasing and closing on a home.
- Authorizes the credit for long-time homeowners buying a replacement principal residence.
- Raises the income limitations for homeowners claiming the credit.
- Purchasers must attach a properly executed settlement statement to their return.
- No credit is available if the purchase price of the home exceeds \$800,000.
- The purchaser must be at least 18 years old on the date of purchase. For a married couple, only one spouse must meet this age requirement.
- A dependent is not eligible for the credit.
- The new law gives the IRS broader authority to deny first-time homebuyer credit claims, without having to first audit a taxpayer's return. Known as math error authority, this authority applies, retroactively, to credits claimed on original and amended 2008 returns, as well as to claims yet to be filed.

Under the new law, an eligible taxpayer must buy, or enter into a binding contract to buy, a principal residence on or before April 30, 2010 and close on the home by June 30, 2010. For qualifying purchases in 2010, taxpayers have the option of claiming the credit on either their 2009 or 2010 return. Several new restrictions exist for homes purchased after 6 Nov 2009 (date the bill was signed into law):

For more information, please review the IRS website: <http://www.irs.gov/newsroom/article/0,,id=215594,00.html> or contact your Legal Assistance Office.

Tips to Avoid Holiday Identity Theft

This Holiday Season, take some extra precautionary measures to avoid being a victim of identity theft. This office recommends the following:

1. On the back of your credit cards, write "Photo ID Required" in the signature space rather than signing your name.
2. Write only the last four numbers of your credit card accounts on your check when making payment.
3. Write your work number on your check, not home phone.
4. Photocopy the front and back of all items in your wallet. Keep the copy in a safe place. If your wallet becomes stolen, you have the telephone numbers and account numbers immediately available.
4. File a police report in the area where your wallet was stolen. Diligent efforts are crucial when reporting to the credit card agencies.
5. Above all, contact the 3 national credit reporting organizations immediately to place a fraud alert on your name. You should also contact Social Security Fraud Line. Any company that checks your credit will know that your information has been stolen and they must contact you by phone to authorize any new credit.

Happy Holidays and Safe Shopping!

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2010 Budget and the affect it will have on SOLDIERS

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If you have any questions, comments, or suggestions, please contact the Legal Assistance Office at 263-4698.



PAY RAISE

The 3.4 percent pay increase for ranks included in the act applies to basic pay and drill pay for 1.4 million active-duty troops and 838,000 drilling members of the National Guard and Reserves. This across-the-board raise is half a percentage point more than requested and 1.4 percentage points more than the expected average raise for federal civilian employees. As a result, a perceived gap between military and private-sector pay that grew as large as 13.5 percent in the late 1990s would drop to 2.4 percent next year. This will be effective Jan. 1 for mid-January paychecks.

STOP-LOSS ALLOWANCE

The authority to pay the relatively new \$500-a-month stop-loss allowance, due to expire at the end of 2009, is extended to 30 June 2011. However, lawmakers did not accept a proposal that would have authorized stop-loss payments during pre- and post-deployment periods for Guard and Reserve members. Payments will continue to be made only for periods when retirement or separation is involuntarily delayed by military orders.

BONUS EXTENSIONS

A number of bonuses set to expire 31 Dec 2009 are extended. This includes enlistment and re-enlistment bonuses and accession bonuses for Active and Reserve forces, bonuses for converting to critical skills, incentive pay for transferring between services, and bonuses and special pays for health care professionals and nuclear-qualified officers.

SUPPLEMENTAL SUBSISTENCE

Effective 1 Oct 2009, the Special Supplemental Subsistence Allowance, paid to service members whose Families are eligible for food stamps, will rise to a monthly maximum of \$1,100, up from the current \$500.

About 300 service members are expected to qualify for the allowance, which is paid to people who, because of their Family size and income, are eligible for the Supplemental Nutrition Assistance Program, or SNAP, the new name for the federal food stamp program. Payments are designed to be just enough so a military Family no longer qualifies for SNAP benefits, but Pentagon officials have learned that even with the increase, some exceptionally large junior enlisted Families will still qualify for food stamps and thus for the allowance. Retroactive payments will be made once regulations are updated.