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President's message: Congress extends homebuyer tax credit

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It was with great satisfaction, and certainly relief, that the Rhode Island Builders Association and its members received the news that Congress has extended and expanded the federal homebuyer tax credit. This credit is one of the most powerful incentives for home buyers in a market that otherwise continues to lag, especially in Rhode Island.

Tell your potential customers about this tax credit. It can be one of the best tools in your sales arsenal right now!

Not only did lawmakers extend the tax credit until April 30th (or in some cases until June 30th), but they expanded it to include "repeat" home buyers. Existing homeowners who have lived in their principal residence for five consecutive years out of the last eight, and are buying a home to be their principal residence, may be eligible for a tax credit of 10 percent of the home purchase price, up to a maximum of \$6,500. First-time home buyers (anyone who has not owned a principal residence for at least three years before the purchase) are eligible for a tax credit of 10 percent of the purchase price, up to a maximum of \$8,000.

Full details of the tax credit and eligibility are spelled out at the National Association of Home Builders dedicated website: <http://federalhousingtaxcredit.com>.

On the state level, we were pleased that the General Assembly passed a "stop the clock" measure for state and local approvals. This is welcome news to members with developments or other approvals whose projects have been delayed by the economic slowdown. As of November 9th, the time-period clock on an approval or permit has been stopped until June 30, 2011.

But what to look forward to in the 2010 session, which convenes in January?

Economically speaking, "crunch time" has come and gone. Crises that should have been dealt with in the 2009 session - too many entitlements, overgenerous union contracts, out-of-control fees, the state's unfriendly business climate, misguided tax priorities, and more - remain largely untouched. We hope to see our lawmakers deal with these issues in the 2010 session.

I've heard the cynical opinion that our state legislators simply can't deal with these vital issues because they are out of their depth. On the whole, I don't believe that. I believe that most of our elected officials are sincere public servants who are simply frightened to do what is different or, especially, unpopular with some segments of the population. Intelligent and dedicated people can be unsure of themselves, and they need support in order to do the right thing.

So the message from RIBA to our legislators is: Don't be afraid to do the right things for our state. We will support you when you do. But know that we will be watching your actions.

We need to encourage more good, conscientious, honest, compassionate, forward-thinking and intelligent people to either run for re-election or to run for the first time. Let's make Rhode Island a great state again.

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