



OFFICE OF THE CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

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The Honorable Tim Holden  
Member, U.S. House of Representatives  
Lebanon County District Office  
758 Cumberland Street  
Lebanon, PA 17042

Attention:

Dear Congressman Holden:

I am responding to your inquiry dated January 28, 2010, on behalf of your constituents, . asked if they could claim a first-time homebuyer credit for a home that they purchased from their parents.

Congress added section 36 of the Internal Revenue Code (the Code) to provide a credit to eligible first-time homebuyers for purchases made in 2008, 2009, and 2010. The purchase of a residence from certain relatives, including parents, does not qualify for the credit (section 36(c) of the Code). Because . purchased a home from their parents, they cannot claim the first-time homebuyer credit.

The statute does not contain any exceptions to this rule. Nor does it grant us the authority to make exceptions to this rule. Any changes to this rule would require legislative action by Congress.

I hope this information is helpful. If you have any questions, please call or me at .

Sincerely,

William A. Jackson  
Chief, Branch 5  
Office of Associate Chief Counsel  
(Income Tax & Accounting)