



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

OFFICE OF THE CHIEF COUNSEL

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The Honorable Paul Ryan
Member, U.S. House of Representatives
20 South Main Street, Suite 10
Janesville, WI 53545

Attention:

Dear Congressman Ryan:

This letter responds to your enquiry, dated November 13, 2009, submitted on behalf of your constituent. He inherited a partial interest in a home and he asked whether he can take the first-time homebuyer credit if he buys the remaining interests of the home from his siblings.

Generally, section 36 of the Internal Revenue Code (Code) provides for a refundable credit to first-time homebuyers for the purchase of a principal residence. A first-time homebuyer is an individual (and that individual's spouse, if married) who has not had an ownership interest in a principal residence during the three years before the date of purchase of the residence. For residences purchased between January 1, 2009, and April 30, 2010, the amount of the credit is ten percent of the purchase price of the residence, up to a maximum credit of \$8,000. However, a taxpayer does not qualify for the credit if he or she acquires the entire interest, or a partial interest, in the home by gift or inheritance (section 36(c)(3) of the Code).

Because [redacted] acquired a partial interest in the home by inheritance, he does not qualify for the credit even if he buys the remaining interests of the home from his siblings. The law does not grant the Internal Revenue Service administrative authority to expand the scope of the credit.

I hope this information is helpful. If you have any further questions, please contact
at .

Sincerely,

Michael J. Montemurro
Branch Chief, Branch 4
Office of Associate Chief Counsel
(Income Tax & Accounting)