



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

OFFICE OF THE CHIEF COUNSEL

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The Honorable John Dingell
Member, U.S. House of Representatives
19855 W. Outer Drive
Suite 103 E
Dearborn, MI 48124

Attention:

Dear Congressman Dingell:

This letter responds to your inquiry dated December 2, 2009, on behalf of your constituent, . asked about the first-time homebuyer tax credit. The information provided by your office states that ex-husband bought a home in 2004, and he and lived in the home from 2004-2008.

First-time homebuyers who meet certain requirements can take a refundable credit for the purchase of a principal residence (section 36(a) of the Internal Revenue Code (the Code)). The law defines a first-time homebuyer as an individual (and if married, the individual's spouse) who has not had an ownership interest in a principal residence at any time during the three-year period before the date of the purchase of the home. The homebuyer generally must enter into a purchase contract before May 1, 2010, and must close the contract before July 1, 2010.

On November 6, 2009, the Congress amended section 36 of the Code to provide a reduced credit for certain individuals who bought a new principal residence that was not their first home. These long-time residents generally qualify for the credit if, on the purchase date of the new residence, the individual (and the individual's spouse, if married) has owned and used the same home as a principal residence for any consecutive five-year period during the eight-year period ending on the purchase date.

apparently does not qualify for the reduced credit as a long-time resident because she did not live in her previous home for five consecutive years. However, may qualify for the first-time homebuyer credit if she has not had an ownership interest in a home in the three years before purchase of a new home. From the information provided, it is not clear whether had an ownership interest in the home she shared with her ex-husband.

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

Sincerely,

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