



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

OFFICE OF
CHIEF COUNSEL

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The Honorable Sherrod Brown
United States Senate
Washington, DC 20510

Attention:

Dear Senator Brown:

I am responding to your letter dated December 7, 2009, on behalf of your constituent, . asked if he qualifies for a federal tax credit for purchasing his second home, which he indicates he purchased before November 7, 2009.

First-time homebuyers. First-time homebuyers who purchase a principal residence during 2009 and meet certain requirements are eligible to claim a federal tax credit of up to \$8,000. would not be eligible to claim this credit if he or his spouse (if he is married) had a present ownership interest in a principal residence during the 3-year period ending on the date he purchased his second home in 2009 (section 36(c) of the Internal Revenue Code).

Long-time residents of same principal residence. Long-time residents who are not first time homebuyers and meet certain requirements are eligible to claim a federal tax credit of up to \$6,500 for purchasing another principal residence. To qualify, the individual (and if married the individual's spouse) must have owned and used the same home as a principal residence for any 5-consecutive-year period during the 8-year period ending on the date of purchase of the new home. This credit does not apply to a home a taxpayer purchased before November 7, 2009 (section 11(j) of the Worker, Homeownership, and Business Assistance Act of 2009). Thus, if purchased his second home before November 7, 2009, he will not qualify for this credit.

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

Sincerely,

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