



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

OFFICE OF THE CHIEF COUNSEL

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The Honorable Jo Bonner
Member, U.S. House of Representatives
11 North Water Street
Suite 15290
Mobile, AL 36602

Attention:

Dear Congressman Bonner:

This letter responds to your inquiry dated March 3, 2010, on behalf of your constituent, . wrote that she purchased her home in May 2008 but did not claim the first-time homebuyer credit of \$7,500 available for purchases made in 2008. asks if she can still claim the first-time homebuyer credit.

Qualifying taxpayers can claim credits for purchasing homes (section 36 of the Internal Revenue Code (the Code)). The law provides for different credits and repayment obligations for first-time home purchases occurring in different periods.

For purchases on or after April 9, 2008, and before January 1, 2009, a first-time homebuyer can claim a section 36 credit equal to 10 percent of the purchase price of the residence, up to a maximum of \$7,500. A taxpayer who claims this credit must generally repay the credit over 15 years (section 36(f)(1) of the Code). Assuming that meets the other requirements of section 36, she may claim the \$7,500 repayable credit for the purchase of her home in May 2008. She may claim the refund by filing an amended return for 2008 within the statutory period of limitations.

As notes, Congress amended section 36 for purchases made between January 1, 2009, and April 30, 2010 (sections 36(b) and (f)(4)(D) of the Code, as amended by section 1006 of the American Recovery and Reinvestment Tax Act of 2009, Pub. L. No. 111-5, and by section 11 of the Worker, Homeownership, and Business Assistance Act of 2009, Pub. L. No. 111-92). The amended section 36 allows

a maximum credit of \$8,000 and eliminates the repayment requirement if the taxpayer does not sell or move out of the residence within three years after the date of purchase.

Because [redacted] bought her residence in May 2008, she does not qualify for the increased (non-repayable) first-time homebuyer credit available for purchases made after 2008. The statute limits [redacted] to the \$7,500 (repayable) credit available for purchases made in 2008. The Congress has not eliminated the requirement to repay the credit for homes purchased in 2008 or given the IRS administrative authority to relax the statutory requirements.

If [redacted] would like information about mortgage payment relief, she may contact the Federal Housing Administration (FHA), which administers the Making Homes Affordable Program. The FHA's address is 451 Seventh Street S.W., Washington, DC 20410.

I hope this information is helpful. As you have requested, I am enclosing a copy of your correspondence. If you have any questions, please contact me at [redacted], or [redacted] or [redacted] at [redacted].

Sincerely,

George J. Blaine
Associate Chief Counsel
(Income Tax and Accounting)

Enclosure