



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

OFFICE OF
CHIEF COUNSEL

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The Honorable George LeMieux
United States Senator
201 South Orange Avenue, Suite 350
Orlando, FL 32801

Attention:

Dear Senator LeMieux:

This letter responds to your inquiry dated February 26, 2010, on behalf of your constituent, . She asked why her son cannot take the first-time homebuyer credit for a home that he purchased from his parents.

Congress added section 36 to the Internal Revenue Code (the Code) to provide a credit to first-time homebuyers for purchases made in 2008, 2009, and 2010. However, the purchase of a residence from certain relatives, including parents, does not qualify for the credit (section 36(c) of the Code). Because son purchased the home from his parents, he cannot take the first-time homebuyer credit. The statute does not contain any exceptions or grant the Internal Revenue Service 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 contact or me at .

Sincerely,

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