



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

OFFICE OF  
CHIEF COUNSEL

March 31, 2010

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CC:ITA:B4:  
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The Honorable Bill Nelson  
United States Senator  
225 East Robinson Street, Suite 410  
Orlando, FL 32801

Dear Senator Nelson:

This letter responds to your inquiry dated March 9, 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)