



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

OFFICE OF
CHIEF COUNSEL

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The Honorable Rodney Alexander
Member, U.S. House of Representatives
1412 Centre Court, Suite 402
Alexandria, LA 71301

Attention:

Dear Congressman Alexander:

I am responding to your letter dated April 12, 2010, submitted on behalf of your constituent, . He asked if he may take a tax credit for the purchase of a home on November 6, 2009. Section 36 of the Internal Revenue Code allows taxpayers to claim a credit for two types of home purchases.

Long-time residents. Taxpayers who purchase a replacement residence on or after November 7, 2009, may claim the long-time residents credit (10 percent of the purchase price, up to a maximum credit of \$6,500). Because purchased the home before the November 7, 2009, effective date, he may not take this credit. The law does not grant the Internal Revenue Service administrative authority to make an exception to this effective date.

First-time homebuyers. First-time homebuyers who purchase a principal residence during 2009 and meet certain requirements may take a tax credit of 10 percent of the purchase price, up to a maximum credit of \$8,000. may not take this credit if he or his spouse (if married) had previously owned a principal residence during the three-year period ending on the date he purchased the home in 2009.

We have enclosed chapter 37, Other Credits, of Publication 17, which provides a more detailed explanation of the first-time homebuyer credit. I hope this information is helpful. If you have any questions, please contact _____ at _____.

Sincerely,

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

Enclosure