



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

OFFICE OF
CHIEF COUNSEL

June 15, 2010

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CC:ITA:B04:
CONEX-120405-10

UIL: 36.00-00

The Honorable David Loeb sack
U.S. House of Representatives
Washington, D.C. 20515-3512

Dear Mr. Loeb sack:

I am responding to your inquiry, dated April 22, 2010, submitted on behalf of your constituent, . She requested information about the first-time homebuyer credit.

As you requested, I responded directly to . I am enclosing a copy of my response.

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

Sincerely,

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

Enclosure



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Dear _____ :

I am responding to your letter to Congressman David Loebsack regarding the first-time homebuyer credit. He asked me to respond directly to you. You stated that you live in a mobile home that you received through a valueless transfer title and that you rent the lot on which the mobile home is located. You also stated that you are in the process of purchasing a home. You asked if you qualify for the first-time homebuyer credit.

First-Time Homebuyer Credit

The law provides a first-time homebuyer credit for certain taxpayers who purchase a principal residence after April 8, 2008, and before May 1, 2010, or who enter into a written binding contract before May 1, 2010, to close on the purchase of the residence before July 1, 2010, and purchase the residence before July 1, 2010. The first-time homebuyer credit equals ten percent of the purchase price of the residence, up to a maximum credit of \$8,000. You may qualify the first-time homebuyer credit if you (and your spouse, if married) have not owned an interest in a principal residence for the three years ending on the purchase date of the residence (see section 36(a), (b), and (c) of the Internal Revenue Code (Code)).

Long-Time Resident Homebuyer Credit

The law also provides a long-time resident homebuyer credit for certain taxpayers who purchase a principal residence after November 6, 2009, and before May 1, 2010, or who enter into a written binding contract before May 1, 2010, to close on the purchase of the residence before July 1, 2010, and purchase the residence before July 1, 2010. The long-time resident homebuyer credit equals ten percent of the purchase price of the residence up to a maximum credit of \$6,500. You may qualify for the long-time resident homebuyer credit if you (and your spouse, if married) have owned and used the same home as a principal residence for any five-consecutive-year period during the eight-year

period ending on the purchase date of the new residence (see section 36(a), (b), and (c) of the Code).

For purposes of both the first-time homebuyer credit and the long-time resident homebuyer credit, the term principal residence has the same meaning as when used in section 121 (see section 36(c)(2) of the Code). A principal residence may be a house, a houseboat, a house trailer, a mobile home, a cooperative apartment, or a condominium. See page 3 of *Publication 523, Selling Your Home* (enclosed).

You are not a first-time homebuyer because you own the mobile home in which you live. Therefore, you do not qualify for the first-time homebuyer credit. However, you may qualify for the long-time resident homebuyer credit if you have owned and lived in your mobile home for at least five-consecutive years during the eight-year period ending on the purchase date of your new residence.

I hope this information is helpful. If you have any further questions, please call _____, Identification Number _____, at _____.

Sincerely,

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

cc: The Honorable David Loeb sack