



OFFICE OF THE CHIEF COUNSEL

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

June 30, 2010

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CONEX-124654-10

The Honorable John Shimkus  
Member, U.S. House of Representatives  
3130 Chatham Road, Suite C  
Springfield, IL 62704

Attention:

Dear Congressman Shimkus:

I am responding to your inquiry dated June 14, 2010, on behalf of your constituents who asked about an extension of the June 30, 2010, deadline to qualify for the long-time residents homebuyer tax credit. Your constituents purchased and paid for a modular home in February 2010. However, due to wet weather, the contractors have not been able to set the home on the foundation. Your constituents asked if they could obtain an extension of the June 30, 2010, deadline if, because of the wet weather, they cannot move in to their home by that date.

First-time homebuyers and long-time residents of the same principal residence may qualify for a refundable tax credit for the purchase of a principal residence (section 36 of the Internal Revenue Code (the Code)). If the taxpayer constructs the residence, the date that the taxpayer first occupies the residence is treated as the purchase date (section 36(c)(3)(B) of the Code).

In the case of a home construction contract, to qualify for the credit, the taxpayer must have entered into a binding contract before May 1, 2010, that provides for completion of the home before July 1, 2010, and the taxpayer must occupy the home by June 30, 2010. See <http://www.irs.gov/newsroom/article/0,,id=206293,00.html> on the IRS website, irs.gov.

The statute does not contain any exceptions or grant the Internal Revenue Service the authority to extend the June 30, 2010, deadline. Congress, however, is considering legislation to allow a taxpayer who purchases a residence by September 30, 2010, to qualify for a homebuyer tax credit if the taxpayer entered into a binding contract before May 1, 2010, to close on the purchase of the home before July 1, 2010. See H.R. 5623, 111<sup>th</sup> Cong. (2010), copy enclosed.

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

Sincerely,

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

Enclosure