



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

OFFICE OF
CHIEF COUNSEL

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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 letter dated June 25, 2010, on behalf of your constituent, . He asked why his daughter cannot take the first-time homebuyer credit for a home that she purchased from him in 2009.

An eligible first-time homebuyer may claim a credit against income tax for a home he or she purchased in 2009 (section 36 to the Internal Revenue Code (the Code)). However, the purchase of a home from certain relatives, including parents, does not qualify for the credit (section 36(c) of the Code). Because daughter purchased her home from her father, she 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)