



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

OFFICE OF THE CHIEF COUNSEL

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The Honorable Barbara Boxer  
United States Senator  
1700 Montgomery Street, Suite 240  
San Francisco, CA 94111

Attention:

Dear Senator Boxer:

This letter responds to your inquiry dated June 14, 2010, on behalf of your constituent, . asked whether accountant was correct in advising her that she does not qualify for the First-Time Homebuyer Credit because she purchased her home from her father.

Generally, the law provides a refundable credit to first-time homebuyers for the purchase of a principal residence (section 36 of the Internal Revenue Code). The law defines a purchase as any acquisition, but only if the buyer does not purchase the property from a family member (section 36(c)(3)(A)(i) of the Code). For this purpose, a family member includes an ancestor.

Based on the facts presented, does not qualify for the First-Time Homebuyer Credit because she purchased her home from a family member. The statute provides no administrative exceptions, and we have no authority to modify the rules. Any changes to the law would require legislative action by the Congress.

I am sorry my response is not more favorable, but hope this information is helpful. If you have any questions on the First-Time Homebuyer Credit, please contact me or at .

Sincerely,

William A. Jackson  
Chief, Branch 5  
Office of Associate Chief Counsel  
(Income Tax & Accounting)