



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

OFFICE OF
CHIEF COUNSEL

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CC:ITA:B4:
CONEX-149009-10

UIL: 36.00-00

The Honorable Amy Klobuchar
United States Senator
1200 Washington Avenue South
Suite 250
Minneapolis, MN 55415

Attention:

Dear Senator Klobuchar:

I am responding to your inquiry dated October 19, 2010, submitted on behalf of your constituent, . He asked whether he can qualify for the First-Time Homebuyer Credit for the home that he expected to buy before October 1, 2010. explains that he did not enter into a written binding contract to purchase that home before May 1, 2010.

Homebuyers can claim an income tax credit for the purchase of a home if they meet certain requirements, including purchasing the home before specified dates (section 36 of the Internal Revenue Code (the Code)). The Homebuyer Assistance and Improvement Act of 2010 (the Act), extended the purchase date deadline for the First-Time Homebuyer Credit. Under the Act, a taxpayer who purchases a home before October 1, 2010, may qualify for a homebuyer tax credit, but only if the taxpayer enters into a written binding contract before May 1, 2010, to close on the purchase of the home before July 1, 2010 (section 36(h)(2) of the Code).

does not qualify for the First-Time Homebuyer Credit for his home because he did not enter into a binding contract to purchase that home before May 1, 2010. 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 me or
at .

Sincerely,

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