

## Internal Revenue Code Section 36(c)

### First-time homebuyer credit

(c) Definitions. For purposes of this section—

- (1) First-time homebuyer. The term "first-time homebuyer" means any individual if such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of the purchase of the principal residence to which this section applies.
- (2) Principal residence. The term "principal residence" has the same meaning as when used in section 121.
- (3) Purchase.
  - (A) In general. The term "purchase" means any acquisition, but only if—
    - (i) the property is not acquired from a person related to the person acquiring such property, and
    - (ii) the basis of the property in the hands of the person acquiring such property is not determined—
      - (I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or
      - (II) under section 1014(a) (relating to property acquired from a decedent).
  - (B) Construction. A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer on the date the taxpayer first occupies such residence.
- (4) Purchase price. The term "purchase price" means the adjusted basis of the principal residence on the date such residence is purchased.
- (5) Related persons. A person shall be treated as related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267(b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that

the family of an individual shall include only his spouse, ancestors, and lineal descendants).