

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after April 16, 2017.

Introduction

Due to federal tax regulations, mortgage loans closed on proceeds from a tax-exempt bond or Mortgage Credit Certificates that are issued after January 1, 1991, are subject to federal recapture tax when you sell your home. This booklet is provided to you so that when it's time to sell your home, you have the information you need to determine 1) whether the tax applies to you, and 2) the amount of the tax. *This information should be kept in a safe place with your other mortgage documents and important papers.*

The federal recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also includes other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

Exceptions

No federal recapture tax is due if one of the following situations occur:

- You dispose of your home later than nine years after you close your mortgage loan;
- Your home is disposed of as a result of your death;
- You transfer your home either to your spouse or to your former spouse incident to divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code;
- You dispose of your home at a loss;
- Your modified adjusted gross income in the taxable year in which you sell your home is less than the Adjusted Qualifying Income for that year.

Maximum Recapture Tax

The maximum recapture tax that you may be required to pay as an addition to your federal income tax is calculated by multiplying your original loan amount by 6.25%. In other words:

$$\begin{array}{rcl}
 \$ \underline{\hspace{2cm}} & \times .0625 = & \$ \underline{\hspace{2cm}} \\
 \text{Your Original Loan Amount} & \text{times .0625 equals your} & \text{Maximum Federal Recapture Tax}
 \end{array}$$

This is your federally subsidized amount with respect to the loan. *This is the highest tax amount that you would ever be required to pay.*

Actual Recapture Tax

The actual federal recapture tax, if any, can only be determined when you sell your home. The amount of the federal recapture tax is based on the lesser of 1) 50% of the gain on sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or 2) the federal recapture amount determined by completing IRS Tax Form 8828.

Limitations and Special Rules on Recapture Tax

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your Actual Recapture Tax as if you had sold your home for its fair market value.

2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of the home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the mortgage, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the nine year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in section 143(m)(4)(C)(ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual federal recapture tax. See section 143(m) of the Internal Revenue Code.

How to Use this Table

1. Choose the HOLDING PERIOD column based on how many years since you bought your home. Year 1 begins on your closing date. For example, if you closed on your home on June 1, 2008, Year 1 is from June 1, 2008 through May 31, 2009. Year 2 is from June 1, 2009 through May 31, 2010, and so on.
2. Get the HOLDING PERIOD PERCENTAGE from your HOLDING PERIOD column.
3. Choose the FAMILY SIZE column based on the number of persons in your household at the time you sell your home.
4. Obtain the ADJUSTED QUALIFYING INCOME by reading across your county line to the correct HOLDING PERIOD column. If there are two lines of figures for your county, choose the target (T) or non-target (N) line for your county based on whether your home is in a target or non-target area.

Completing IRS Form 8828-Recapture of Federal Mortgage Subsidy

1. The type of federal subsidy used to fund your mortgage loan is 2b - Mortgage credit certificate.
2. The name of the bond or mortgage certificate issuer is Wisconsin Housing and Economic Development Authority.

Holding Period	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	Year 5	Year 5
Holding Period Percent:	20%	20%	40%	40%	60%	60%	80%	80%	100%	100%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+	1-2	3+
RACINE (N)	72,135	82,955	75,742	87,103	79,529	91,458	83,505	96,031	87,680	100,833
RACINE (T)	86,562	100,989	90,890	106,038	95,435	111,340	100,207	116,907	105,217	122,752
RICHLAND	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
ROCK (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
ROCK (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
RUSK (N)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
ST. CROIX	90,930	104,570	95,477	109,799	100,251	115,289	105,264	121,053	110,527	127,106
SAUK	72,240	83,076	75,852	87,230	79,645	91,592	83,627	96,172	87,808	100,981
SAWYER (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
SHAWANO	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
SHEBOYGAN (N)	72,345	83,197	75,962	87,357	79,760	91,725	83,748	96,311	87,935	101,127
SHEBOYGAN (T)	86,814	101,283	91,155	106,347	95,713	111,664	100,499	117,247	105,524	123,109
TAYLOR	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
TREMPEALEAU (N)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
VERNON (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
VERNON (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
VILAS	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
WALWORTH	74,025	85,129	77,726	89,385	81,612	93,854	85,693	98,547	89,978	103,474
WASHBURN	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
WASHINGTON	76,965	88,510	80,813	92,936	84,854	97,583	89,097	102,462	93,552	107,585
WAUKESHA (N)	76,965	88,510	80,813	92,936	84,854	97,583	89,097	102,462	93,552	107,585
WAUKESHA (T)	92,358	107,751	96,976	113,139	101,825	118,796	106,916	124,736	112,262	130,973
WAUPACA	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
WAUSHARA	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
WINNEBAGO (N)	73,605	84,646	77,285	88,878	81,149	93,322	85,206	97,988	89,466	102,887
WOOD	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687

Effective 4/16/2017								
Holding Period	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percent:	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+
ADAMS	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
ASHLAND (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
BARRON (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
BAYFIELD (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
BROWN (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
BROWN (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
BUFFALO	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
BURNETT (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
CALUMET	101,043	116,200	106,095	122,010	111,400	128,111	116,970	134,517
CHIPPEWA	92,198	106,030	96,808	111,332	101,648	116,899	106,730	122,744
CLARK (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
COLUMBIA	98,765	113,581	103,703	119,260	108,888	125,223	114,332	131,484
CRAWFORD (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
DANE (N)	112,434	129,299	118,056	135,764	123,959	142,552	130,157	149,680
DANE (T)	134,922	157,409	141,668	165,279	148,751	173,543	156,189	182,220
DODGE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
DOOR	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
DOUGLAS (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
DOUGLAS (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
DUNN (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
EAU CLAIRE (N)	92,198	106,030	96,808	111,332	101,648	116,899	106,730	122,744
EAU CLAIRE (T)	110,639	129,079	116,171	135,533	121,980	142,310	128,079	149,426
FLORENCE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
FOND DU LAC (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
FOREST	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
GRANT	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
GREEN	94,209	108,339	98,919	113,756	103,865	119,444	109,058	125,416
GREEN LAKE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
IOWA	98,765	113,581	103,703	119,260	108,888	125,223	114,332	131,484
IRON (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
JACKSON (N)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
JEFFERSON	97,425	112,038	102,296	117,640	107,411	123,522	112,782	129,698
JUNEAU (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
KENOSHA (N)	101,076	116,235	106,130	122,047	111,437	128,149	117,009	134,556
KENOSHA (T)	109,351	127,577	114,819	133,956	120,560	140,654	126,588	147,687
KEWAUNEE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
LA CROSSE (N)	94,075	108,186	98,779	113,595	103,718	119,275	108,904	125,239
LA CROSSE (T)	112,891	131,706	118,536	138,291	124,463	145,206	130,686	152,466
LAFAYETTE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
LANGLADE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
LINCOLN	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
MANITOWOC	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
MARATHON (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
MARATHON (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
MARINETTE (N)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
MARQUETTE (N)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
MENOMINEE (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
MENOMINEE (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
MILWAUKEE (N)	98,230	112,964	103,142	118,612	108,299	124,543	113,714	130,770
MILWAUKEE (T)	117,875	137,522	123,769	144,398	129,957	151,618	136,455	159,199
MONROE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
ONONTO (N)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
ONEIDA	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
OUTAGAMIE	101,043	116,200	106,095	122,010	111,400	128,111	116,970	134,517
OZAUKEE	98,230	112,964	103,142	118,612	108,299	124,543	113,714	130,770
PEPIN	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
PIERCE	116,053	133,461	121,856	140,134	127,949	147,141	134,346	154,498
POLK (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
POLK (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
PORTAGE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
PRICE	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385

Holding Period	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percent:	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+
RACINE (N)	92,064	105,875	96,667	111,169	101,500	116,727	106,575	122,563
RACINE (T)	110,478	128,890	116,002	135,335	121,802	142,102	127,892	149,207
RICHLAND	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
ROCK (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
ROCK (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
RUSK (N)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
ST. CROIX	116,053	133,461	121,856	140,134	127,949	147,141	134,346	154,498
SAUK	92,198	106,030	96,808	111,332	101,648	116,899	106,730	122,744
SAWYER (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
SHAWANO	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
SHEBOYGAN (N)	92,332	106,183	96,949	111,492	101,796	117,067	106,886	122,920
SHEBOYGAN (T)	110,800	129,264	116,340	135,727	122,157	142,513	128,265	149,639
TAYLOR	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
TREMPEALEAU (N)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
VERNON (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
VERNON (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
VILAS	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
WALWORTH	94,477	108,648	99,201	114,080	104,161	119,784	109,369	125,773
WASHBURN	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
WASHINGTON	98,230	112,964	103,142	118,612	108,299	124,543	113,714	130,770
WAUKESHA (N)	98,230	112,964	103,142	118,612	108,299	124,543	113,714	130,770
WAUKESHA (T)	117,875	137,522	123,769	144,398	129,957	151,618	136,455	159,199
WAUPACA	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
WAUSHARA	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
WINNEBAGO (N)	93,939	108,031	98,636	113,433	103,568	119,105	108,746	125,060
WOOD	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385