

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after June 1, 2014.

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 lessor 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.

Effective 6/1/2014										
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+
ADAMS	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
ASHLAND (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
BARRON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
BAYFIELD (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
BROWN (N)	71,610	82,352	75,191	86,470	78,951	90,794	82,899	95,334	87,044	100,101
BROWN (T)	85,932	100,254	90,229	105,267	94,740	110,530	99,477	116,057	104,451	121,860
BUFFALO	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
BURNETT (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
CALUMET	75,810	87,182	79,601	91,541	83,581	96,118	87,760	100,924	92,148	105,970
CHIPPEWA	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
CLARK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
COLUMBIA	74,340	85,491	78,057	89,766	81,960	94,254	86,058	98,967	90,361	103,915
CRAWFORD (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
DANE (N)	84,945	97,687	89,192	102,571	93,652	107,700	98,335	113,085	103,252	118,739
DANE (T)	101,934	118,923	107,031	124,869	112,383	131,112	118,002	137,668	123,902	144,551
DODGE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
DOOR	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
DOUGLAS (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
DOUGLAS (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
DUNN	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
DUNN (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
EAU CLAIRE (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
EAU CLAIRE (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
FLORENCE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
FOND DU LAC (N)	70,140	80,661	73,647	84,694	77,329	88,929	81,195	93,375	85,255	98,044
FOREST	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
GRANT	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
GREEN	71,505	82,231	75,080	86,343	78,834	90,660	82,776	95,193	86,915	99,953
GREEN LAKE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
IOWA	75,495	86,819	79,270	91,160	83,234	95,718	87,396	100,504	91,766	105,529
IRON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
JACKSON (N)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
JEFFERSON	72,135	82,955	75,742	87,103	79,529	91,458	83,505	96,031	87,680	100,833
JUNEAU (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
KENOSHA (N)	87,696	102,312	92,081	107,428	96,685	112,799	101,519	118,439	106,595	124,361
KENOSHA (T)	87,696	102,312	92,081	107,428	96,685	112,799	101,519	118,439	106,595	124,361
KEWAUNEE	71,610	82,352	75,191	86,470	78,951	90,794	82,899	95,334	87,044	100,101
LA CROSSE (N)	72,660	83,559	76,293	87,737	80,108	92,124	84,113	96,730	88,319	101,567
LA CROSSE (T)	87,192	101,724	91,552	106,810	96,130	112,151	100,937	117,759	105,984	123,647
LAFAYETTE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
LANGLADE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
LINCOLN	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
MANITOWOC	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
MARATHON (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
MARATHON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
MARINETTE (N)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
MARQUETTE (N)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
MENOMINEE (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
MILWAUKEE (N)	73,815	84,887	77,506	89,131	81,381	93,588	85,450	98,267	89,723	103,180
MILWAUKEE (T)	88,578	103,341	93,007	108,508	97,657	113,933	102,540	119,630	107,667	125,612
MONROE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
OCONTO (N)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
ONEIDA	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
OUTAGAMIE	75,810	87,182	79,601	91,541	83,581	96,118	87,760	100,924	92,148	105,970
OZAUKEE	73,815	84,887	77,506	89,131	81,381	93,588	85,450	98,267	89,723	103,180

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+
PEPIN	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
PIERCE	87,045	100,102	91,397	105,107	95,967	110,362	100,765	115,880	105,803	121,674
POLK (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
POLK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
PORTAGE	70,980	81,627	74,529	85,708	78,255	89,993	82,168	94,493	86,276	99,218
PRICE	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
RACINE (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
RACINE (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
RICHLAND	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
ROCK (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
ROCK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
RUSK (N)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
ST. CROIX	87,045	100,102	91,397	105,107	95,967	110,362	100,765	115,880	105,803	121,674
SAUK	70,770	81,386	74,309	85,455	78,024	89,728	81,925	94,214	86,021	98,925
SAWYER (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
SHAWANO	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
SHEBOYGAN (N)	70,455	81,023	73,978	85,074	77,677	89,328	81,561	93,794	85,639	98,484
SHEBOYGAN (T)	84,546	98,637	88,773	103,569	93,212	108,747	97,873	114,184	102,767	119,893
TAYLOR	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
TREMPEALEAU (N)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
VERNON (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
VERNON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541	118,465
VILAS	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
WALWORTH	74,235	85,370	77,947	89,639	81,844	94,121	85,936	98,827	90,233	103,768
WASHBURN	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
WASHINGTON	73,815	84,887	77,506	89,131	81,381	93,588	85,450	98,267	89,723	103,180
WAUKESHA (N)	73,815	84,887	77,506	89,131	81,381	93,588	85,450	98,267	89,723	103,180
WAUKESHA (T)	88,578	103,341	93,007	108,508	97,657	113,933	102,540	119,630	107,667	125,612
WAUPACA	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
WAUSHARA	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310
WINNEBAGO (N)	71,715	82,472	75,301	86,596	79,066	90,926	83,019	95,472	87,170	100,246
WOOD	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618	97,310

Effective 6/1/2014								
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	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
ASHLAND (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
BARRON (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
BAYFIELD (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
BROWN (N)	91,396	105,106	95,966	110,361	100,764	115,879	105,802	121,673
BROWN (T)	109,674	127,953	115,158	134,351	120,916	141,069	126,962	148,122
BUFFALO	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
BURNETT (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
CALUMET	96,755	111,269	101,593	116,832	106,673	122,674	112,007	128,808
CHIPPEWA	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
CLARK (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
COLUMBIA	94,879	109,111	99,623	114,567	104,604	120,295	109,834	126,310
CRAWFORD (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
DANE (N)	108,415	124,676	113,836	130,910	119,528	137,456	125,504	144,329
DANE (T)	130,097	151,779	136,602	159,368	143,432	167,336	150,604	175,703
DODGE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
DOOR	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
DOUGLAS (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
DOUGLAS (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
DUNN	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
DUNN (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
EAU CLAIRE (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
EAU CLAIRE (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
FLORENCE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
FOND DU LAC (N)	89,518	102,946	93,994	108,093	98,694	113,498	103,629	119,173
FOREST	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
GRANT	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
GREEN	91,261	104,951	95,824	110,199	100,615	115,709	105,646	121,494
GREEN LAKE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
IOWA	96,354	110,805	101,172	116,345	106,231	122,162	111,543	128,270
IRON (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
JACKSON (N)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
JEFFERSON	92,064	105,875	96,667	111,169	101,500	116,727	106,575	122,563
JUNEAU (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
KENOSHA (N)	111,925	130,579	117,521	137,108	123,397	143,963	129,567	151,161
KENOSHA (T)	111,925	130,579	117,521	137,108	123,397	143,963	129,567	151,161
KEWAUNEE	91,396	105,106	95,966	110,361	100,764	115,879	105,802	121,673
LA CROSSE (N)	92,735	106,645	97,372	111,977	102,241	117,576	107,353	123,455
LA CROSSE (T)	111,283	129,829	116,847	136,320	122,689	143,136	128,823	150,293
LAFAYETTE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
LANGLADE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
LINCOLN	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
MANITOWOC	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
MARATHON (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
MARATHON (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MARINETTE (N)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MARQUETTE (N)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MENOMINEE (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
MILWAUKEE (N)	94,209	108,339	98,919	113,756	103,865	119,444	109,058	125,416
MILWAUKEE (T)	113,050	131,893	118,703	138,488	124,638	145,412	130,870	152,683
MONROE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
OCONTO (N)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
ONEIDA	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
OUTAGAMIE	96,755	111,269	101,593	116,832	106,673	122,674	112,007	128,808
OZAUKEE	94,209	108,339	98,919	113,756	103,865	119,444	109,058	125,416

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+
PEPIN	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
PIERCE	111,093	127,758	116,648	134,146	122,480	140,853	128,604	147,896
POLK (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
POLK (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
PORTAGE	90,590	104,179	95,120	109,388	99,876	114,857	104,870	120,600
PRICE	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
RACINE (N)	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
RACINE (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
RICHLAND	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
ROCK (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
ROCK (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
RUSK (N)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
ST. CROIX	111,093	127,758	116,648	134,146	122,480	140,853	128,604	147,896
SAUK	90,322	103,871	94,838	109,065	99,580	114,518	104,559	120,244
SAWYER (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
SHAWANO	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
SHEBOYGAN (N)	89,921	103,408	94,417	108,578	99,138	114,007	104,095	119,707
SHEBOYGAN (T)	107,905	125,888	113,300	132,182	118,965	138,791	124,913	145,731
TAYLOR	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
TREMPEALEAU (N)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
VERNON (N)	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
VERNON (T)	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
VILAS	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
WALWORTH	94,745	108,956	99,482	114,404	104,456	120,124	109,679	126,130
WASHBURN	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
WASHINGTON	94,209	108,339	98,919	113,756	103,865	119,444	109,058	125,416
WAUKESHA (N)	94,209	108,339	98,919	113,756	103,865	119,444	109,058	125,416
WAUKESHA (T)	113,050	131,893	118,703	138,488	124,638	145,412	130,870	152,683
WAUPACA	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
WAUSHARA	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
WINNEBAGO (N)	91,529	105,258	96,105	110,521	100,910	116,047	105,956	121,849
WOOD	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281