

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after March 17, 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 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.

Effective 3/17/2014									
Holding Period	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	Year 5
Holding Period Percentage	20%	20%	40%	40%	60%	60%	80%	80%	100%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+	1-2
ADAMS	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
ASHLAND (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
BARRON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
BAYFIELD (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
BROWN (N)	71,610	82,352	75,191	86,470	78,951	90,794	82,899	95,334	87,044
BROWN (T)	85,932	100,254	90,229	105,267	94,740	110,530	99,477	116,057	104,451
BUFFALO	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
BURNETT (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
CALUMET	75,810	87,182	79,601	91,541	83,581	96,118	87,760	100,924	92,148
CHIPPEWA	69,686	80,139	73,170	84,146	76,829	88,353	80,670	92,771	84,704
CLARK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
COLUMBIA	75,726	87,085	79,512	91,439	83,488	96,011	87,662	100,812	92,045
CRAWFORD (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
DANE (N)	84,945	97,687	89,192	102,571	93,652	107,700	98,335	113,085	103,252
DANE (T)	101,934	118,923	107,031	124,869	112,383	131,112	118,002	137,668	123,902
DODGE	70,106	80,622	73,611	84,653	77,292	88,886	81,157	93,330	85,215
DOOR	69,980	80,477	73,479	84,501	77,153	88,726	81,011	93,162	85,062
DOUGLAS (N)	70,442	81,009	73,964	85,059	77,662	89,312	81,545	93,778	85,622
DOUGLAS (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
DUNN	69,791	80,260	73,281	84,273	76,945	88,487	80,792	92,911	84,832
EAU CLAIRE (N)	69,686	80,139	73,170	84,146	76,829	88,353	80,670	92,771	84,704
EAU CLAIRE (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
FLORENCE	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
FOND DU LAC (N)	70,140	80,661	73,647	84,694	77,329	88,929	81,195	93,375	85,255
FOREST	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
GRANT	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
GREEN	71,505	82,231	75,080	86,343	78,834	90,660	82,776	95,193	86,915
GREEN LAKE	69,728	80,188	73,214	84,197	76,875	88,407	80,719	92,827	84,755
IOWA	75,495	86,819	79,270	91,160	83,234	95,718	87,396	100,504	91,766
IRON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
JACKSON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
JEFFERSON	72,135	82,955	75,742	87,103	79,529	91,458	83,505	96,031	87,680
JUNEAU (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
KENOSHA (N)	87,696	102,312	92,081	107,428	96,685	112,799	101,519	118,439	106,595
KENOSHA (T)	87,696	102,312	92,081	107,428	96,685	112,799	101,519	118,439	106,595
KEWAUNEE	71,610	82,352	75,191	86,470	78,951	90,794	82,899	95,334	87,044
LA CROSSE (N)	72,660	83,559	76,293	87,737	80,108	92,124	84,113	96,730	88,319
LA CROSSE (T)	87,192	101,724	91,552	106,810	96,130	112,151	100,937	117,759	105,984
LAFAYETTE	70,442	81,009	73,964	85,059	77,662	89,312	81,545	93,778	85,622
LANGLADE	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
LINCOLN	70,190	80,719	73,700	84,755	77,385	88,993	81,254	93,443	85,317
MANITOWOC	69,770	80,236	73,259	84,248	76,922	88,460	80,768	92,883	84,806
MARATHON (N)	69,615	80,057	73,096	84,060	76,751	88,263	80,589	92,676	84,618
MARATHON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
MARINETTE (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
MARQUETTE (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
MENOMINEE (N)	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
MENOMINEE (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
MILWAUKEE (N)	82,180	94,507	86,289	99,232	90,603	104,194	95,133	109,404	99,890
MILWAUKEE (T)	88,578	103,341	93,007	108,508	97,657	113,933	102,540	119,630	107,667
MONROE	70,295	80,840	73,810	84,882	77,501	89,126	81,376	93,582	85,445
OCONTO (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
ONEIDA	70,883	81,516	74,427	85,592	78,148	89,872	82,055	94,366	86,158
OUTAGAMIE	75,810	87,182	79,601	91,541	83,581	96,118	87,760	100,924	92,148
OZAUKEE	82,180	94,507	86,289	99,232	90,603	104,194	95,133	109,404	99,890
PEPIN	70,505	81,081	74,030	85,135	77,732	89,392	81,619	93,862	85,700
PIERCE	95,024	109,278	99,775	114,742	104,764	120,479	110,002	126,503	115,502
POLK (N)	70,169	80,695	73,677	84,730	77,361	88,967	81,229	93,415	85,290

Holding Period	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	Year 5
Holding Period Percentage	20%	20%	40%	40%	60%	60%	80%	80%	100%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+	1-2
POLK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
PORTAGE	70,980	81,627	74,529	85,708	78,255	89,993	82,168	94,493	86,276
PRICE	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
RACINE (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554
RACINE (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064
RICHLAND	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
ROCK (N)	70,337	80,888	73,854	84,932	77,547	89,179	81,424	93,638	85,495
ROCK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
RUSK (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
ST. CROIX	95,024	109,278	99,775	114,742	104,764	120,479	110,002	126,503	115,502
SAUK	70,770	81,386	74,309	85,455	78,024	89,728	81,925	94,214	86,021
SAWYER (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
SHAWANO	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
SHEBOYGAN (N)	70,455	81,023	73,978	85,074	77,677	89,328	81,561	93,794	85,639
SHEBOYGAN (T)	84,546	98,637	88,773	103,569	93,212	108,747	97,873	114,184	102,767
TAYLOR	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
TREMPEALEAU (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
VERNON (N)	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
VERNON (T)	83,538	97,461	87,715	102,334	92,101	107,451	96,706	112,824	101,541
VILAS	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
WALWORTH	74,235	85,370	77,947	89,639	81,844	94,121	85,936	98,827	90,233
WASHBURN	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
WASHINGTON	82,180	94,507	86,289	99,232	90,603	104,194	95,133	109,404	99,890
WAUKESHA (N)	82,180	94,507	86,289	99,232	90,603	104,194	95,133	109,404	99,890
WAUKESHA (T)	88,578	103,341	93,007	108,508	97,657	113,933	102,540	119,630	107,667
WAUPACA	70,316	80,864	73,832	84,907	77,524	89,152	81,400	93,610	85,470
WAUSHARA	71,093	81,757	74,648	85,845	78,380	90,137	82,299	94,644	86,414
WINNEBAGO (N)	71,715	82,472	75,301	86,596	79,066	90,926	83,019	95,472	87,170
WOOD	70,694	81,299	74,229	85,364	77,940	89,632	81,837	94,114	85,929

Effective 3/17/2014									
Holding Period	Year 5	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percentage	100%	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	3+	1-2	3+	1-2	3+	1-2	3+	1-2	3+
ADAMS	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
ASHLAND (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
BARRON (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
BAYFIELD (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
BROWN (N)	100,101	91,396	105,106	95,966	110,361	100,764	115,879	105,802	121,673
BROWN (T)	121,860	109,674	127,953	115,158	134,351	120,916	141,069	126,962	148,122
BUFFALO	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
BURNETT (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
CALUMET	105,970	96,755	111,269	101,593	116,832	106,673	122,674	112,007	128,808
CHIPPEWA	97,410	88,939	102,281	93,386	107,395	98,055	112,765	102,958	118,403
CLARK (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
COLUMBIA	105,853	96,647	111,146	101,479	116,703	106,553	122,538	111,881	128,665
CRAWFORD (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
DANE (N)	118,739	108,415	124,676	113,836	130,910	119,528	137,456	125,504	144,329
DANE (T)	144,551	130,097	151,779	136,602	159,368	143,432	167,336	150,604	175,703
DODGE	97,997	89,476	102,897	93,950	108,042	98,648	113,444	103,580	119,116
DOOR	97,820	89,315	102,711	93,781	107,847	98,470	113,239	103,394	118,901
DOUGLAS (N)	98,467	89,903	103,390	94,398	108,560	99,118	113,988	104,074	119,687
DOUGLAS (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
DUNN	97,557	89,074	102,435	93,528	107,557	98,204	112,935	103,114	118,582
EAU CLAIRE (N)	97,410	88,939	102,281	93,386	107,395	98,055	112,765	102,958	118,403
EAU CLAIRE (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
FLORENCE	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
FOND DU LAC (N)	98,044	89,518	102,946	93,994	108,093	98,694	113,498	103,629	119,173
FOREST	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
GRANT	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
GREEN	99,953	91,261	104,951	95,824	110,199	100,615	115,709	105,646	121,494
GREEN LAKE	97,468	88,993	102,341	93,443	107,458	98,115	112,831	103,021	118,473
IOWA	105,529	96,354	110,805	101,172	116,345	106,231	122,162	111,543	128,270
IRON (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
JACKSON (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
JEFFERSON	100,833	92,064	105,875	96,667	111,169	101,500	116,727	106,575	122,563
JUNEAU (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
KENOSHA (N)	124,361	111,925	130,579	117,521	137,108	123,397	143,963	129,567	151,161
KENOSHA (T)	124,361	111,925	130,579	117,521	137,108	123,397	143,963	129,567	151,161
KEWAUNEE	100,101	91,396	105,106	95,966	110,361	100,764	115,879	105,802	121,673
LA CROSSE (N)	101,567	92,735	106,645	97,372	111,977	102,241	117,576	107,353	123,455
LA CROSSE (T)	123,647	111,283	129,829	116,847	136,320	122,689	143,136	128,823	150,293
LAFAYETTE	98,467	89,903	103,390	94,398	108,560	99,118	113,988	104,074	119,687
LANGLADE	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
LINCOLN	98,115	89,583	103,021	94,062	108,172	98,765	113,581	103,703	119,260
MANITOWOC	97,527	89,046	102,403	93,498	107,523	98,173	112,899	103,082	118,544
MARATHON (N)	97,310	88,849	102,176	93,291	107,285	97,956	112,649	102,854	118,281
MARATHON (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MARINETTE (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MARQUETTE (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MENOMINEE (N)	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
MENOMINEE (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
MILWAUKEE (N)	114,874	104,885	120,618	110,129	126,649	115,635	132,981	121,417	139,630
MILWAUKEE (T)	125,612	113,050	131,893	118,703	138,488	124,638	145,412	130,870	152,683
MONROE	98,261	89,717	103,174	94,203	108,333	98,913	113,750	103,859	119,438
OCONTO (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
ONEIDA	99,084	90,466	104,038	94,989	109,240	99,738	114,702	104,725	120,437
OUTAGAMIE	105,970	96,755	111,269	101,593	116,832	106,673	122,674	112,007	128,808
OZAUKEE	114,874	104,885	120,618	110,129	126,649	115,635	132,981	121,417	139,630
PEPIN	98,555	89,985	103,483	94,484	108,657	99,208	114,090	104,168	119,795
PIERCE	132,828	121,277	139,469	127,341	146,442	133,708	153,764	140,393	161,452
POLK (N)	98,086	89,555	102,990	94,033	108,140	98,735	113,547	103,672	119,224

Holding Period	Year 5	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percentage	100%	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	3+	1-2	3+	1-2	3+	1-2	3+	1-2	3+
POLK (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
PORTAGE	99,218	90,590	104,179	95,120	109,388	99,876	114,857	104,870	120,600
PRICE	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
RACINE (N)	100,687	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
RACINE (T)	122,574	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
RICHLAND	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
ROCK (N)	98,320	89,770	103,236	94,259	108,398	98,972	113,818	103,921	119,509
ROCK (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
RUSK (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
ST. CROIX	132,828	121,277	139,469	127,341	146,442	133,708	153,764	140,393	161,452
SAUK	98,925	90,322	103,871	94,838	109,065	99,580	114,518	104,559	120,244
SAWYER (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
SHAWANO	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
SHEBOYGAN (N)	98,484	89,921	103,408	94,417	108,578	99,138	114,007	104,095	119,707
SHEBOYGAN (T)	119,893	107,905	125,888	113,300	132,182	118,965	138,791	124,913	145,731
TAYLOR	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
TREMPEALEAU (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
VERNON (N)	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
VERNON (T)	118,465	106,618	124,388	111,949	130,607	117,546	137,137	123,423	143,994
VILAS	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
WALWORTH	103,768	94,745	108,956	99,482	114,404	104,456	120,124	109,679	126,130
WASHBURN	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
WASHINGTON	114,874	104,885	120,618	110,129	126,649	115,635	132,981	121,417	139,630
WAUKESHA (N)	114,874	104,885	120,618	110,129	126,649	115,635	132,981	121,417	139,630
WAUKESHA (T)	125,612	113,050	131,893	118,703	138,488	124,638	145,412	130,870	152,683
WAUPACA	98,291	89,744	103,206	94,231	108,366	98,943	113,784	103,890	119,473
WAUSHARA	99,376	90,735	104,345	95,272	109,562	100,036	115,040	105,038	120,792
WINNEBAGO (N)	100,246	91,529	105,258	96,105	110,521	100,910	116,047	105,956	121,849
WOOD	98,820	90,225	103,761	94,736	108,949	99,473	114,396	104,447	120,116