

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after May 16, 2016.

**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 5/16/2016										
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	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
ASHLAND (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
BARRON (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
BAYFIELD (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
BROWN (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
BROWN (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
BUFFALO	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
BURNETT (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
CALUMET	79,170	91,046	83,129	95,598	87,285	100,378	91,649	105,397	96,231	110,667
CHIPPEWA	72,240	82,835	75,852	86,977	79,645	91,326	83,627	95,892	87,808	100,687
CLARK (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
COLUMBIA	77,385	88,993	81,254	93,443	85,317	98,115	89,583	103,021	94,062	108,172
CRAWFORD (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
DANE (N)	86,730	99,740	91,067	104,727	95,620	109,963	100,401	115,461	105,421	121,234
DANE (T)	104,076	121,422	109,280	127,493	114,744	133,868	120,481	140,561	126,505	147,589
DODGE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
DOOR	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
DOUGLAS (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
DOUGLAS (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
DUNN	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
EAU CLAIRE (N)	72,240	82,835	75,852	86,977	79,645	91,326	83,627	95,892	87,808	100,687
EAU CLAIRE (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
FLORENCE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
FOND DU LAC (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
FOREST	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
GRANT	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
GREEN	73,710	84,767	77,396	89,005	81,266	93,455	85,329	98,128	89,595	103,034
GREEN LAKE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
IOWA	77,385	88,993	81,254	93,443	85,317	98,115	89,583	103,021	94,062	108,172
IRON (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
JACKSON (N)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
JEFFERSON	76,335	87,785	80,152	92,174	84,160	96,783	88,368	101,622	92,786	106,703
JUNEAU (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
KENOSHA (N)	88,326	103,047	92,742	108,199	97,379	113,609	102,248	119,289	107,360	125,253
KENOSHA (T)	88,326	103,047	92,742	108,199	97,379	113,609	102,248	119,289	107,360	125,253
KEWAUNEE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
LA CROSSE (N)	73,710	84,767	77,396	89,005	81,266	93,455	85,329	98,128	89,595	103,034
LA CROSSE (T)	88,452	103,194	92,875	108,354	97,519	113,772	102,395	119,461	107,515	125,434
LAFAYETTE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
LANGLADE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
LINCOLN	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
MANITOWOC	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
MARATHON (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
MARATHON (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
MARINETTE (N)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
MARQUETTE (N)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
MENOMINEE (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
MENOMINEE (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
MILWAUKEE (N)	76,965	88,510	80,813	92,936	84,854	97,583	89,097	102,462	93,552	107,585
MILWAUKEE (T)	92,358	107,751	96,976	113,139	101,825	118,796	106,916	124,736	112,262	130,973
MONROE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
ONCONTO (N)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
ONEIDA	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
OUTAGAMIE	79,170	91,046	83,129	95,598	87,285	100,378	91,649	105,397	96,231	110,667
OZAUKEE	76,965	88,510	80,813	92,936	84,854	97,583	89,097	102,462	93,552	107,585

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	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
PIERCE	90,930	104,570	95,477	109,799	100,251	115,289	105,264	121,053	110,527	127,106
POLK (N)	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
POLK (T)	86,436	100,842	90,758	105,884	95,296	111,178	100,061	116,737	105,064	122,574
PORTAGE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
PRICE	72,030	82,835	75,632	86,977	79,414	91,326	83,385	95,892	87,554	100,687
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	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	74,235	85,370	77,947	89,639	81,844	94,121	85,936	98,827	90,233	103,768
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 5/16/2016								
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	105,721	96,808	111,007	101,648	116,557	106,730	122,385
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)	110,692	127,296	116,227	133,661	122,038	140,344	128,140	147,361
DANE (T)	132,830	154,968	139,472	162,716	146,446	170,852	153,768	179,395
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	91,932	105,721	96,529	111,007	101,355	116,557	106,423	122,385
EAU CLAIRE (N)	92,198	105,721	96,808	111,007	101,648	116,557	106,730	122,385
EAU CLAIRE (T)	110,317	128,703	115,833	135,138	121,625	141,895	127,706	148,990
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	94,075	108,186	98,779	113,595	103,718	119,275	108,904	125,239
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)	112,728	131,516	118,364	138,092	124,282	144,997	130,496	152,247
KENOSHA (T)	112,728	131,516	118,364	138,092	124,282	144,997	130,496	152,247
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
OCONTO (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

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	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
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	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	94,745	108,956	99,482	114,404	104,456	120,124	109,679	126,130
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