

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after May 12, 2020

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 05/12/20										
Holding Period	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	Year 5	Year 5
Holding Period Percentage	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	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
ASHLAND (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
BARRON (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
BAYFIELD (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
BROWN (N)	86,415	99,377	90,736	104,346	95,273	109,563	100,037	115,041	105,039	120,793
BROWN (T)	103,698	120,981	108,883	127,030	114,327	133,382	120,043	140,051	126,045	147,054
BUFFALO	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
BURNETT (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
CALUMET	90,720	104,328	95,256	109,544	100,019	115,021	105,020	120,772	110,271	126,811
CHIPPEWA	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
CLARK (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
COLUMBIA	85,890	98,774	90,185	103,713	94,694	108,899	99,429	114,344	104,400	120,061
CRAWFORD (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
DANE (N)	105,420	121,233	110,691	127,295	116,226	133,660	122,037	140,343	128,139	147,360
DANE (T)	126,504	147,588	132,829	154,967	139,470	162,715	146,444	170,851	153,766	179,394
DODGE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
DOOR	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
DOUGLAS (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
DOUGLAS (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
DUNN (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
EAU CLAIRE (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
EAU CLAIRE (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
FLORENCE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
FOND DU LAC (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
FOREST	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
GRANT	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
GREEN	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
GREEN LAKE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
IOWA	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
IRON (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
JACKSON (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
JEFFERSON	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
JUNEAU (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
KENOSHA (N)	85,680	98,532	89,964	103,459	94,462	108,632	99,185	114,064	104,144	119,767
KENOSHA (T)	102,816	119,952	107,957	125,950	113,355	132,248	119,023	138,860	124,974	145,803
KEWAUNEE	86,415	99,377	90,736	104,346	95,273	109,563	100,037	115,041	105,039	120,793
LA CROSSE (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
LA CROSSE (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
LAFAYETTE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
LANGLADE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
LINCOLN	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
MANITOWOC	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
MARATHON (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
MARATHON (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
MARINETTE (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
MARQUETTE (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
MENOMINEE (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
MENOMINEE (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
MILWAUKEE (N)	87,990	101,189	92,390	106,248	97,010	111,560	101,861	117,138	106,954	122,995
MILWAUKEE (T)	105,588	123,186	110,867	129,345	116,410	135,812	122,231	142,603	128,343	149,733
MONROE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565

Effective 05/12/20										
Holding Period	Year 1	Year 1	Year 2	Year 2	Year 3	Year 3	Year 4	Year 4	Year 5	Year 5
Holding Period Percentage	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+
OCONTO (N)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
ONEIDA	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
OUTAGAMIE	90,720	104,328	95,256	109,544	100,019	115,021	105,020	120,772	110,271	126,811
OZAUKEE	87,990	101,189	92,390	106,248	97,010	111,560	101,861	117,138	106,954	122,995
PEPIN	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
PIERCE	108,570	124,856	113,999	131,099	119,699	137,654	125,684	144,537	131,968	151,764
POLK (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
POLK (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
PORTAGE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
PRICE	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
RACINE (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
RACINE (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
RICHLAND	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
ROCK (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
ROCK (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
RUSK (N)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
ST. CROIX	108,570	124,856	113,999	131,099	119,699	137,654	125,684	144,537	131,968	151,764
SAUK	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
SAWYER (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
SHAWANO	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
SHEBOYGAN (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
SHEBOYGAN (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
TAYLOR	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
TREMPEALEAU (N)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
VERNON (N)	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
VERNON (T)	100,926	117,747	105,972	123,634	111,271	129,816	116,835	136,307	122,677	143,122
VILAS	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
WALWORTH	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
WASHBURN	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
WASHINGTON	87,990	101,189	92,390	106,248	97,010	111,560	101,861	117,138	106,954	122,995
WAUKESHA (N)	87,990	101,189	92,390	106,248	97,010	111,560	101,861	117,138	106,954	122,995
WAUKESHA (T)	105,588	123,186	110,867	129,345	116,410	135,812	122,231	142,603	128,343	149,733
WAUPACA	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
WAUSHARA	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565
WINNEBAGO (N)	84,840	97,566	89,082	102,444	93,536	107,566	98,213	112,944	103,124	118,591
WOOD	84,105	96,721	88,310	101,557	92,726	106,635	97,362	111,967	102,230	117,565

Effective 05/12/20								
Holding Period	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percentage	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+
ADAMS	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
ASHLAND (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
BARRON (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
BAYFIELD (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
BROWN (N)	110,291	126,833	115,806	133,175	121,596	139,834	127,676	146,826
BROWN (T)	132,347	154,407	138,964	162,127	145,912	170,233	153,208	178,745
BUFFALO	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
BURNETT (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
CALUMET	115,785	133,152	121,574	139,810	127,653	146,801	134,036	154,141
CHIPPEWA	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
CLARK (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
COLUMBIA	109,620	126,064	115,101	132,367	120,856	138,985	126,899	145,934
CRAWFORD (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
DANE (N)	134,546	154,728	141,273	162,464	148,337	170,587	155,754	179,116
DANE (T)	161,454	188,364	169,527	197,782	178,003	207,671	186,903	218,055
DODGE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
DOOR	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
DOUGLAS (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
DOUGLAS (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
DUNN (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
EAU CLAIRE (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
EAU CLAIRE (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
FLORENCE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
FOND DU LAC (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
FOREST	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
GRANT	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
GREEN	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
GREEN LAKE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
IOWA	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
IRON (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
JACKSON (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
JEFFERSON	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
JUNEAU (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
KENOSHA (N)	109,351	125,755	114,819	132,043	120,560	138,645	126,588	145,577
KENOSHA (T)	131,223	153,093	137,784	160,748	144,673	168,785	151,907	177,224
KEWAUNEE	110,291	126,833	115,806	133,175	121,596	139,834	127,676	146,826
LA CROSSE (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
LA CROSSE (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
LAFAYETTE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
LANGLADE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
LINCOLN	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
MANITOWOC	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
MARATHON (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
MARATHON (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
MARINETTE (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
MARQUETTE (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
MENOMINEE (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
MENOMINEE (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
MILWAUKEE (N)	112,302	129,145	117,917	135,602	123,813	142,382	130,004	149,501
MILWAUKEE (T)	134,760	157,220	141,498	165,081	148,573	173,335	156,002	182,002
MONROE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901

Effective 05/12/20								
Holding Period	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percentage	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+
OCONTO (N)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
ONEIDA	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
OUTAGAMIE	115,785	133,152	121,574	139,810	127,653	146,801	134,036	154,141
OZAUKEE	112,302	129,145	117,917	135,602	123,813	142,382	130,004	149,501
PEPIN	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
PIERCE	138,566	159,352	145,494	167,320	152,769	175,686	160,407	184,470
POLK (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
POLK (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
PORTAGE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
PRICE	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
RACINE (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
RACINE (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
RICHLAND	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
ROCK (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
ROCK (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
RUSK (N)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
ST. CROIX	138,566	159,352	145,494	167,320	152,769	175,686	160,407	184,470
SAUK	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
SAWYER (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
SHAWANO	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
SHEBOYGAN (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
SHEBOYGAN (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
TAYLOR	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
TREMPEALEAU (N)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
VERNON (N)	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
VERNON (T)	128,811	150,278	135,252	157,792	142,015	165,682	149,116	173,966
VILAS	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
WALWORTH	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
WASHBURN	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
WASHINGTON	112,302	129,145	117,917	135,602	123,813	142,382	130,004	149,501
WAUKESHA (N)	112,302	129,145	117,917	135,602	123,813	142,382	130,004	149,501
WAUKESHA (T)	134,760	157,220	141,498	165,081	148,573	173,335	156,002	182,002
WAUPACA	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
WAUSHARA	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901
WINNEBAGO (N)	108,280	124,521	113,694	130,747	119,379	137,284	125,348	144,148
WOOD	107,342	123,443	112,709	129,615	118,344	136,096	124,261	142,901