

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after May 18, 2018.

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 05/18/18										
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	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
ASHLAND (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
BARRON (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
BAYFIELD (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
BROWN (N)	81,375	93,581	85,444	98,260	89,716	103,173	94,202	108,332	98,912	113,749
BROWN (T)	97,650	113,925	102,533	119,621	107,660	125,602	113,043	131,882	118,695	138,476
BUFFALO	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
BURNETT (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
CALUMET	81,795	94,064	85,885	98,767	90,179	103,705	94,688	108,890	99,422	114,335
CHIPPEWA	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
CLARK (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
COLUMBIA	79,695	91,649	83,680	96,231	87,864	101,043	92,257	106,095	96,870	111,400
CRAWFORD (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
DANE (N)	96,285	110,728	101,099	116,264	106,154	122,077	111,462	128,181	117,035	134,590
DANE (T)	115,542	134,799	121,319	141,539	127,385	148,616	133,754	156,047	140,442	163,849
DODGE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
DOOR	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
DOUGLAS (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
DOUGLAS (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
DUNN (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
EAU CLAIRE (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
EAU CLAIRE (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
FLORENCE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
FOND DU LAC (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
FOREST	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
GRANT	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
GREEN	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
GREEN LAKE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
IOWA	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
IRON (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
JACKSON (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
JEFFERSON	80,115	92,132	84,121	96,739	88,327	101,576	92,743	106,655	97,380	111,988
JUNEAU (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
KENOSHA (N)	82,060	94,368	86,163	99,086	90,471	104,040	94,995	109,242	99,745	114,704
KENOSHA (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
KEWAUNEE	81,375	93,581	85,444	98,260	89,716	103,173	94,202	108,332	98,912	113,749
LA CROSSE (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
LA CROSSE (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
LAFAYETTE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
LANGLADE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
LINCOLN	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
MANITOWOC	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
MARATHON (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
MARATHON (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
MARINETTE (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
MARQUETTE (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
MENOMINEE (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
MENOMINEE (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
MILWAUKEE (N)	81,165	93,340	85,223	98,007	89,484	102,907	93,958	108,052	98,656	113,455
MILWAUKEE (T)	97,398	113,631	102,268	119,313	107,381	125,279	112,750	131,543	118,388	138,120
MONROE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639

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)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
ONEIDA	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
OUTAGAMIE	81,795	94,064	85,885	98,767	90,179	103,705	94,688	108,890	99,422	114,335
OZAUKEE	81,165	93,340	85,223	98,007	89,484	102,907	93,958	108,052	98,656	113,455
PEPIN	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
PIERCE	99,015	113,867	103,966	119,560	109,164	125,538	114,622	131,815	120,353	138,406
POLK (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
POLK (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
PORTAGE	80,430	92,495	84,452	97,120	88,675	101,976	93,109	107,075	97,764	112,429
PRICE	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
RACINE (N)	78,750	90,563	82,688	95,091	86,822	99,846	91,163	104,838	95,721	110,080
RACINE (T)	94,500	110,250	99,225	115,763	104,186	121,551	109,395	127,629	114,865	134,010
RICHLAND	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
ROCK (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
ROCK (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
RUSK (N)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
ST. CROIX	99,015	113,867	103,966	119,560	109,164	125,538	114,622	131,815	120,353	138,406
SAUK	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
SAWYER (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
SHAWANO	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
SHEBOYGAN (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
SHEBOYGAN (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
TAYLOR	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
TREMPEALEAU (N)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
VERNON (N)	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
VERNON (T)	94,122	109,809	98,828	115,299	103,769	121,064	108,957	127,117	114,405	133,473
VILAS	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
WALWORTH	78,435	90,200	82,357	94,710	86,475	99,446	90,799	104,418	95,339	109,639
WASHBURN	78435	90200	82357	94710	86475	99446	90799	104418	95339	109639
WASHINGTON	81165	93340	85223	98007	89484	102907	93958	108052	98656	113455
WAUKESHA (N)	81165	93340	85223	98007	89484	102907	93958	108052	98656	113455
WAUKESHA (T)	97398	113631	102268	119313	107381	125279	112750	131543	118388	138120
WAUPACA	78435	90200	82357	94710	86475	99446	90799	104418	95339	109639
WAUSHARA	78435	90200	82357	94710	86475	99446	90799	104418	95339	109639
WINNEBAGO (N)	78435	90200	82357	94710	86475	99446	90799	104418	95339	109639
WOOD	78435	90200	82357	94710	86475	99446	90799	104418	95339	109639

Effective 05/18/18								
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	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
ASHLAND (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
BARRON (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
BAYFIELD (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
BROWN (N)	103,858	119,436	109,051	125,408	114,504	131,678	120,229	138,262
BROWN (T)	124,630	145,400	130,862	152,670	137,405	160,304	144,275	168,319
BUFFALO	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
BURNETT (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
CALUMET	104,393	120,052	109,613	126,055	115,094	132,358	120,849	138,976
CHIPPEWA	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
CLARK (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
COLUMBIA	101,714	116,970	106,800	122,819	112,140	128,960	117,747	135,408
CRAWFORD (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
DANE (N)	122,887	141,320	129,031	148,386	135,483	155,805	142,257	163,595
DANE (T)	147,464	172,041	154,837	180,643	162,579	189,675	170,708	199,159
DODGE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
DOOR	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
DOUGLAS (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
DOUGLAS (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
DUNN (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
EAU CLAIRE (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
EAU CLAIRE (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
FLORENCE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
FOND DU LAC (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
FOREST	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
GRANT	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
GREEN	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
GREEN LAKE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
IOWA	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
IRON (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
JACKSON (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
JEFFERSON	102,249	117,587	107,361	123,466	112,729	129,639	118,365	136,121
JUNEAU (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
KENOSHA (N)	104,732	120,439	109,969	126,461	115,467	132,784	121,240	139,423
KENOSHA (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
KEWAUNEE	103,858	119,436	109,051	125,408	114,504	131,678	120,229	138,262
LA CROSSE (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
LA CROSSE (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
LAFAYETTE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
LANGLADE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
LINCOLN	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
MANITOWOC	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
MARATHON (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
MARATHON (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
MARINETTE (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
MARQUETTE (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
MENOMINEE (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
MENOMINEE (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
MILWAUKEE (N)	103,589	119,128	108,768	125,084	114,206	131,338	119,916	137,905
MILWAUKEE (T)	124,307	145,026	130,522	152,277	137,048	159,891	143,900	167,886
MONROE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267

Holding Period	Year 6	Year 6	Year 7	Year 7	Year 8	Year 8	Year 9	Year 9
Holding Period Percenta	80%	80%	60%	60%	40%	40%	20%	20%
Family Size	1-2	3+	1-2	3+	1-2	3+	1-2	3+
OCONTO (N)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
ONEIDA	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
OUTAGAMIE	104,393	120,052	109,613	126,055	115,094	132,358	120,849	138,976
OZAUKEE	103,589	119,128	108,768	125,084	114,206	131,338	119,916	137,905
PEPIN	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
PIERCE	126,371	145,326	132,690	152,592	139,325	160,222	146,291	168,233
POLK (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
POLK (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
PORTAGE	102,652	118,050	107,785	123,953	113,174	130,151	118,833	136,659
PRICE	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
RACINE (N)	100,507	115,584	105,532	121,363	110,809	127,431	116,349	133,803
RACINE (T)	120,608	140,711	126,638	147,747	132,970	155,134	139,619	162,891
RICHLAND	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
ROCK (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
ROCK (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
RUSK (N)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
ST. CROIX	126,371	145,326	132,690	152,592	139,325	160,222	146,291	168,233
SAUK	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
SAWYER (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
SHAWANO	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
SHEBOYGAN (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
SHEBOYGAN (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
TAYLOR	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
TREMPEALEAU (N)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
VERNON (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
VERNON (T)	120,125	140,147	126,131	147,154	132,438	154,512	139,060	162,238
VILAS	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
WALWORTH	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
WASHBURN	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
WASHINGTON	103,589	119,128	108,768	125,084	114,206	131,338	119,916	137,905
WAUKESHA (N)	103,589	119,128	108,768	125,084	114,206	131,338	119,916	137,905
WAUKESHA (T)	124,307	145,026	130,522	152,277	137,048	159,891	143,900	167,886
WAUPACA	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
WAUSHARA	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
WINNEBAGO (N)	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267
WOOD	100,106	115,121	105,111	120,877	110,367	126,921	115,885	133,267