

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after April 1, 2013.

**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 4/1/2013									
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	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
ASHLAND (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
BARRON (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
BAYFIELD (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
BROWN (N)	74,276	85,417	77,990	89,688	81,890	94,172	85,985	98,881	90,284
BROWN (T)	89,131	103,986	93,588	109,185	98,267	114,644	103,180	120,376	108,339
BUFFALO	75,914	87,301	79,710	91,666	83,696	96,249	87,881	101,061	92,275
BURNETT (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
CALUMET	77,280	88,872	81,144	93,316	85,201	97,982	89,461	102,881	93,934
CHIPPEWA	75,116	86,383	78,872	90,702	82,816	95,237	86,957	99,999	91,305
CLARK (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
COLUMBIA	81,386	93,593	85,455	98,273	89,728	103,187	94,214	108,346	98,925
CRAWFORD (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
DANE (N)	87,045	100,102	91,397	105,107	95,967	110,362	100,765	115,880	105,803
DANE (T)	104,454	121,863	109,677	127,956	115,161	134,354	120,919	141,072	126,965
DODGE	74,675	85,876	78,409	90,170	82,329	94,679	86,445	99,413	90,767
DOOR	75,452	86,770	79,225	91,109	83,186	95,664	87,345	100,447	91,712
DOUGLAS (N)	75,578	86,915	79,357	91,261	83,325	95,824	87,491	100,615	91,866
DOUGLAS (T)	90,694	105,809	95,229	111,099	99,990	116,654	104,990	122,487	110,240
DUNN	74,885	86,118	78,629	90,424	82,560	94,945	86,688	99,692	91,022
EAU CLAIRE (N)	75,116	86,383	78,872	90,702	82,816	95,237	86,957	99,999	91,305
EAU CLAIRE (T)	90,139	105,162	94,646	110,420	99,378	115,941	104,347	121,738	109,564
FLORENCE	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
FOND DU LAC (N)	74,423	85,586	78,144	89,865	82,051	94,358	86,154	99,076	90,462
FOND DU LAC (T)	89,308	104,192	93,773	109,402	98,462	114,872	103,385	120,616	108,554
FOREST	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
GRANT	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
GREEN	74,528	85,707	78,254	89,992	82,167	94,492	86,275	99,217	90,589
GREEN LAKE	75,158	86,432	78,916	90,754	82,862	95,292	87,005	100,057	91,355
IOWA	81,239	93,424	85,301	98,095	89,566	103,000	94,044	108,150	98,746
IRON (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
JACKSON (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
JEFFERSON	74,445	85,612	78,167	89,893	82,075	94,388	86,179	99,107	90,488
JUNEAU (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
KENOSHA (N)	90,846	104,473	95,388	109,697	100,157	115,182	105,165	120,941	110,423
KENOSHA (T)	109,015	127,184	114,466	133,543	120,189	140,220	126,198	147,231	132,508
KEWAUNEE	74,276	85,417	77,990	89,688	81,890	94,172	85,985	98,881	90,284
LA CROSSE (N)	74,297	85,441	78,012	89,713	81,913	94,199	86,009	98,909	90,309
LA CROSSE (T)	89,156	104,016	93,614	109,217	98,295	114,678	103,210	120,412	108,371
LAFAYETTE	75,851	87,229	79,644	91,590	83,626	96,170	87,807	100,979	92,197
LANGLADE	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
LINCOLN	75,557	86,890	79,335	91,235	83,302	95,797	87,467	100,587	91,840
MANITOWOC	74,864	86,094	78,607	90,399	82,537	94,919	86,664	99,665	90,997
MARATHON (N)	74,129	85,248	77,835	89,510	81,727	93,986	85,813	98,685	90,104
MARATHON (T)	88,955	103,781	93,403	108,970	98,073	114,419	102,977	120,140	108,126
MARINETTE (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
MARQUETTE (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
MENOMINEE	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
MILWAUKEE (N)	87,665	100,814	92,048	105,855	96,650	111,148	101,483	116,705	106,557
MILWAUKEE (T)	105,197	122,730	110,457	128,867	115,980	135,310	121,779	142,076	127,868
MONROE	75,725	87,084	79,511	91,438	83,487	96,010	87,661	100,811	92,044
OCONTO (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
ONEIDA	75,620	86,963	79,401	91,311	83,371	95,877	87,540	100,671	91,917
OUTAGAMIE	77,280	88,872	81,144	93,316	85,201	97,982	89,461	102,881	93,934
OZAUKEE	87,665	100,814	92,048	105,855	96,650	111,148	101,483	116,705	106,557

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
PEPIN	75,935	87,325	79,732	91,691	83,719	96,276	87,905	101,090	92,300
PIERCE	101,773	117,039	106,862	122,891	112,205	129,036	117,815	135,488	123,706
POLK (N)	75,263	86,552	79,026	90,880	82,977	95,424	87,126	100,195	91,482
POLK (T)	90,316	105,368	94,832	110,636	99,574	116,168	104,553	121,976	109,781
PORTAGE	74,003	85,103	77,703	89,358	81,588	93,826	85,667	98,517	89,950
PRICE	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
RACINE (N)	74,024	85,128	77,725	89,384	81,611	93,853	85,692	98,546	89,977
RACINE (T)	88,829	103,634	93,270	108,816	97,934	114,257	102,831	119,970	107,973
RICHLAND	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
ROCK (N)	74,927	86,166	78,673	90,474	82,607	94,998	86,737	99,748	91,074
ROCK (T)	89,912	104,898	94,408	110,143	99,128	115,650	104,084	121,433	109,288
RUSK (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
ST. CROIX	101,773	117,039	106,862	122,891	112,205	129,036	117,815	135,488	123,706
SAUK	75,011	86,263	78,762	90,576	82,700	95,105	86,835	99,860	91,177
SAWYER (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
SHAWANO	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
SHEBOYGAN	74,130	85,250	77,837	89,513	81,729	93,989	85,815	98,688	90,106
TAYLOR	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
TREMPEALEAU (T)	100,850	117,659	105,893	123,542	111,188	129,719	116,747	136,205	122,584
VERNON (N)	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
VERNON (T)	90,569	105,664	95,097	110,947	99,852	116,494	104,845	122,319	110,087
VILAS	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
WALWORTH	76,755	88,268	80,593	92,681	84,623	97,315	88,854	102,181	93,297
WASHBURN	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
WASHINGTON	87,665	100,814	92,048	105,855	96,650	111,148	101,483	116,705	106,557
WAUKESHA	87,665	100,814	92,048	105,855	96,650	111,148	101,483	116,705	106,557
WAUPACA	75,557	86,890	79,335	91,235	83,302	95,797	87,467	100,587	91,840
WAUSHARA	75,474	86,795	79,248	91,135	83,210	95,692	87,371	100,477	91,740
WINNEBAGO (N)	75,641	86,987	79,423	91,336	83,394	95,903	87,564	100,698	91,942
WINNEBAGO (T)	90,769	105,897	95,307	111,192	100,072	116,752	105,076	122,590	110,330
WOOD	75,515	86,842	79,291	91,184	83,256	95,743	87,419	100,530	91,790

Effective 4/1/2013									
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	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
ASHLAND (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
BARRON (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
BAYFIELD (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
BROWN (N)	103,825	94,798	109,016	99,538	114,467	104,515	120,190	109,741	126,200
BROWN (T)	126,395	113,756	132,715	119,444	139,351	125,416	146,319	131,687	153,635
BUFFALO	106,114	96,889	111,420	101,733	116,991	106,820	122,841	112,161	128,983
BURNETT (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
CALUMET	108,025	98,631	113,426	103,563	119,097	108,741	125,052	114,178	131,305
CHIPPEWA	104,999	95,870	110,249	100,664	115,761	105,697	121,549	110,982	127,626
CLARK (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
COLUMBIA	113,763	103,871	119,451	109,065	125,424	114,518	131,695	120,244	138,280
CRAWFORD (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
DANE (N)	121,674	111,093	127,758	116,648	134,146	122,480	140,853	128,604	147,896
DANE (T)	148,126	133,313	155,532	139,979	163,309	146,978	171,474	154,327	180,048
DODGE	104,384	95,305	109,603	100,070	115,083	105,074	120,837	110,328	126,879
DOOR	105,469	96,298	110,742	101,113	116,279	106,169	122,093	111,477	128,198
DOUGLAS (N)	105,646	96,459	110,928	101,282	116,474	106,346	122,298	111,663	128,413
DOUGLAS (T)	128,611	115,752	135,042	121,540	141,794	127,617	148,884	133,998	156,328
DUNN	104,677	95,573	109,911	100,352	115,407	105,370	121,177	110,639	127,236
EAU CLAIRE (N)	104,999	95,870	110,249	100,664	115,761	105,697	121,549	110,982	127,626
EAU CLAIRE (T)	127,825	115,042	134,216	120,794	140,927	126,834	147,973	133,176	155,372
FLORENCE	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
FOND DU LAC (N)	104,030	94,985	109,232	99,734	114,694	104,721	120,429	109,957	126,450
FOND DU LAC (T)	126,647	113,982	132,979	119,681	139,628	125,665	146,609	131,948	153,939
FOREST	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
GRANT	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
GREEN	104,178	95,118	109,387	99,874	114,856	104,868	120,599	110,111	126,629
GREEN LAKE	105,060	95,923	110,313	100,719	115,829	105,755	121,620	111,043	127,701
IOWA	113,558	103,683	119,236	108,867	125,198	114,310	131,458	120,026	138,031
IRON (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
JACKSON (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
JEFFERSON	104,062	95,012	109,265	99,763	114,728	104,751	120,464	109,989	126,487
JUNEAU (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
KENOSHA (N)	126,988	115,944	133,337	121,741	140,004	127,828	147,004	134,219	154,354
KENOSHA (T)	154,593	139,133	162,323	146,090	170,439	153,395	178,961	161,065	187,909
KEWAUNEE	103,825	94,798	109,016	99,538	114,467	104,515	120,190	109,741	126,200
LA CROSSE (N)	103,854	94,824	109,047	99,565	114,499	104,543	120,224	109,770	126,235
LA CROSSE (T)	126,433	113,790	132,755	119,480	139,393	125,454	146,363	131,727	153,681
LAFAYETTE	106,028	96,807	111,329	101,647	116,895	106,729	122,740	112,065	128,877
LANGLADE	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
LINCOLN	105,616	96,432	110,897	101,254	116,442	106,317	122,264	111,633	128,377
MANITOWOC	104,648	95,547	109,880	100,324	115,374	105,340	121,143	110,607	127,200
MARATHON (N)	103,619	94,609	108,800	99,339	114,240	104,306	119,952	109,521	125,950
MARATHON (T)	126,147	113,532	132,454	119,209	139,077	125,169	146,031	131,427	153,333
MARINETTE (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
MARQUETTE (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
MENOMINEE	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
MILWAUKEE (N)	122,540	111,885	128,667	117,479	135,100	123,353	141,855	129,521	148,948
MILWAUKEE (T)	149,180	134,261	156,639	140,974	164,471	148,023	172,695	155,424	181,330
MONROE	105,852	96,646	111,145	101,478	116,702	106,552	122,537	111,880	128,664
OCONTO (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
ONEIDA	105,705	96,513	110,990	101,339	116,540	106,406	122,367	111,726	128,485
OUTAGAMIE	108,025	98,631	113,426	103,563	119,097	108,741	125,052	114,178	131,305
OZAUKEE	122,540	111,885	128,667	117,479	135,100	123,353	141,855	129,521	148,948

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+
PEPIN	106,145	96,915	111,452	101,761	117,025	106,849	122,876	112,191	129,020
PIERCE	142,262	129,891	149,375	136,386	156,844	143,205	164,686	150,365	172,920
POLK (N)	105,205	96,056	110,465	100,859	115,988	105,902	121,787	111,197	127,876
POLK (T)	128,075	115,270	134,479	121,034	141,203	127,086	148,263	133,440	155,676
PORTAGE	103,443	94,448	108,615	99,170	114,046	104,129	119,748	109,335	125,735
PRICE	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
RACINE (N)	103,473	94,476	108,647	99,200	114,079	104,160	119,783	109,368	125,772
RACINE (T)	125,969	113,372	132,267	119,041	138,880	124,993	145,824	131,243	153,115
RICHLAND	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
ROCK (N)	104,735	95,628	109,972	100,409	115,471	105,429	121,245	110,700	127,307
ROCK (T)	127,505	114,752	133,880	120,490	140,574	126,515	147,603	132,841	154,983
RUSK (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
ST. CROIX	142,262	129,891	149,375	136,386	156,844	143,205	164,686	150,365	172,920
SAUK	104,853	95,736	110,096	100,523	115,601	105,549	121,381	110,826	127,450
SAWYER (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
SHAWANO	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
SHEBOYGAN	103,622	94,611	108,803	99,342	114,243	104,309	119,955	109,524	125,953
TAYLOR	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
TREMPEALEAU (T)	143,015	128,713	150,166	135,149	157,674	141,906	165,558	149,001	173,836
VERNON (N)	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
VERNON (T)	128,435	115,591	134,857	121,371	141,600	127,440	148,680	133,812	156,114
VILAS	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
WALWORTH	107,290	97,962	112,655	102,860	118,288	108,003	124,202	113,403	130,412
WASHBURN	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
WASHINGTON	122,540	111,885	128,667	117,479	135,100	123,353	141,855	129,521	148,948
WAUKESHA	122,540	111,885	128,667	117,479	135,100	123,353	141,855	129,521	148,948
WAUPACA	105,616	96,432	110,897	101,254	116,442	106,317	122,264	111,633	128,377
WAUSHARA	105,501	96,327	110,776	101,143	116,315	106,200	122,131	111,510	128,238
WINNEBAGO (N)	105,733	96,539	111,020	101,366	116,571	106,434	122,400	111,756	128,520
WINNEBAGO (T)	128,720	115,847	135,156	121,639	141,914	127,721	149,010	134,107	156,461
WOOD	105,557	96,380	110,835	101,199	116,377	106,259	122,196	111,572	128,306