

The income limits in this booklet are effective for Mortgage Credit Certificates (MCC) issued on or after May 12, 2021

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 05/12/21											
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	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
ASHLAND (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
BARRON (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
BAYFIELD (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
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	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
BURNETT (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
CALUMET	90,720	104,328	95,256	109,544	100,019	115,021	105,020	120,772	110,271	126,811	
CHIPPEWA	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
CLARK (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
COLUMBIA	87,360	100,464	91,728	105,487	96,314	110,761	101,130	116,299	106,187	122,114	
CRAWFORD (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
DANE (N)	108,255	124,493	113,668	130,718	119,351	137,254	125,319	144,117	131,585	151,323	
DANE (T)	129,906	151,557	136,401	159,135	143,221	167,092	150,382	175,447	157,901	184,219	
DODGE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
DOOR	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
DOUGLAS (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
DOUGLAS (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
DUNN (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
EAU CLAIRE (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
EAU CLAIRE (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
FLORENCE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
FOND DU LAC (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
FOREST	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
GRANT	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
GREEN	84,735	97,445	88,972	102,317	93,421	107,433	98,092	112,805	102,997	118,445	
GREEN LAKE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
IOWA	85,575	98,411	89,854	103,332	94,347	108,499	99,064	113,924	104,017	119,620	
IRON (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
JACKSON (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
JEFFERSON	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
JUNEAU (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
KENOSHA (N)	85,575	98,411	89,854	103,332	94,347	108,499	99,064	113,924	104,017	119,620	
KENOSHA (T)	102,690	119,805	107,825	125,795	113,216	132,085	118,877	138,689	124,821	145,623	
KEWAUNEE	86,415	99,377	90,736	104,346	95,273	109,563	100,037	115,041	105,039	120,793	
LA CROSSE (N)	84,630	97,325	88,862	102,191	93,305	107,301	97,970	112,666	102,869	118,299	
LA CROSSE (T)	101,556	118,482	106,634	124,406	111,966	130,626	117,564	137,157	123,442	144,015	
LAFAYETTE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
LANGLADE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
LINCOLN	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
MANITOWOC	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
MARATHON (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
MARATHON (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
MARINETTE (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
MARQUETTE (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
MENOMINEE (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	
MENOMINEE (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479	
MILWAUKEE (N)	88,620	101,913	93,051	107,009	97,704	112,359	102,589	117,977	107,718	123,876	
MILWAUKEE (T)	106,344	124,068	111,661	130,271	117,244	136,785	123,106	143,624	129,261	150,805	
MONROE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858	

Effective 05/12/21										
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)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
ONEIDA	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
OUTAGAMIE	90,720	104,328	95,256	109,544	100,019	115,021	105,020	120,772	110,271	126,811
OZAUKEE	88,620	101,913	93,051	107,009	97,704	112,359	102,589	117,977	107,718	123,876
PEPIN	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
PIERCE	110,145	126,667	115,652	133,000	121,435	139,650	127,507	146,633	133,882	153,965
POLK (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
POLK (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
PORTAGE	84,420	97,083	88,641	101,937	93,073	107,034	97,727	112,386	102,613	118,005
PRICE	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
RACINE (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
RACINE (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
RICHLAND	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
ROCK (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
ROCK (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
RUSK (N)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
ST. CROIX	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
SAUK	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
SAWYER (T)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
SHAWANO	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
SHEBOYGAN (N)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
SHEBOYGAN (T)	110,145	126,667	115,652	133,000	121,435	139,650	127,507	146,633	133,882	153,965
TAYLOR	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
TREMPEALEAU (N)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
VERNON (N)	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
VERNON (T)	101,178	118,041	106,237	123,943	111,549	130,140	117,126	136,647	122,982	143,479
VILAS	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
WALWORTH	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
WASHBURN	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
WASHINGTON	88,620	101,913	93,051	107,009	97,704	112,359	102,589	117,977	107,718	123,876
WAUKESHA (N)	88,620	101,913	93,051	107,009	97,704	112,359	102,589	117,977	107,718	123,876
WAUKESHA (T)	106,344	124,068	111,661	130,271	117,244	136,785	123,106	143,624	129,261	150,805
WAUPACA	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
WAUSHARA	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858
WINNEBAGO (N)	84,840	97,566	89,082	102,444	93,536	107,566	98,213	112,944	103,124	118,591
WOOD	84,315	96,962	88,531	101,810	92,958	106,901	97,606	112,246	102,486	117,858

Effective 05/12/21								
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	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
ASHLAND (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
BARRON (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
BAYFIELD (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
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	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
BURNETT (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
CALUMET	115,785	133,152	121,574	139,810	127,653	146,801	134,036	154,141
CHIPPEWA	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
CLARK (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
COLUMBIA	111,496	128,220	117,071	134,631	122,925	141,363	129,071	148,431
CRAWFORD (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
DANE (N)	138,164	158,889	145,072	166,833	152,326	175,175	159,942	183,934
DANE (T)	165,796	193,430	174,086	203,102	182,790	213,257	191,930	223,920
DODGE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
DOOR	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
DOUGLAS (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
DOUGLAS (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
DUNN (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
EAU CLAIRE (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
EAU CLAIRE (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
FLORENCE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
FOND DU LAC (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
FOREST	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
GRANT	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
GREEN	108,147	124,367	113,554	130,585	119,232	137,114	125,194	143,970
GREEN LAKE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
IOWA	109,218	125,601	114,679	131,881	120,413	138,475	126,434	145,399
IRON (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
JACKSON (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
JEFFERSON	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
JUNEAU (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
KENOSHA (N)	109,218	125,601	114,679	131,881	120,413	138,475	126,434	145,399
KENOSHA (T)	131,062	152,904	137,615	160,549	144,496	168,576	151,721	177,005
KEWAUNEE	110,291	126,833	115,806	133,175	121,596	139,834	127,676	146,826
LA CROSSE (N)	108,012	124,214	113,413	130,425	119,084	136,946	125,038	143,793
LA CROSSE (T)	129,614	151,216	136,095	158,777	142,900	166,716	150,045	175,052
LAFAYETTE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
LANGLADE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
LINCOLN	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
MANITOWOC	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
MARATHON (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
MARATHON (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
MARINETTE (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
MARQUETTE (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
MENOMINEE (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
MENOMINEE (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
MILWAUKEE (N)	113,104	130,070	118,759	136,574	124,697	143,403	130,932	150,573
MILWAUKEE (T)	135,724	158,345	142,510	166,262	149,636	174,575	157,118	183,304
MONROE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258

Effective 05/12/21								
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)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
ONEIDA	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
OUTAGAMIE	115,785	133,152	121,574	139,810	127,653	146,801	134,036	154,141
OZAUKEE	113,104	130,070	118,759	136,574	124,697	143,403	130,932	150,573
PEPIN	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
PIERCE	140,576	161,663	147,605	169,746	154,985	178,233	162,734	187,145
POLK (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
POLK (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
PORTAGE	107,744	123,905	113,131	130,100	118,788	136,605	124,727	143,435
PRICE	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
RACINE (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
RACINE (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
RICHLAND	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
ROCK (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
ROCK (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
RUSK (N)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
ST. CROIX	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
SAUK	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
SAWYER (T)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
SHAWANO	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
SHEBOYGAN (N)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
SHEBOYGAN (T)	140,576	161,663	147,605	169,746	154,985	178,233	162,734	187,145
TAYLOR	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
TREMPEALEAU (N)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
VERNON (N)	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
VERNON (T)	129,131	150,653	135,588	158,186	142,367	166,095	149,485	174,400
VILAS	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
WALWORTH	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
WASHBURN	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
WASHINGTON	113,104	130,070	118,759	136,574	124,697	143,403	130,932	150,573
WAUKESHA (N)	113,104	130,070	118,759	136,574	124,697	143,403	130,932	150,573
WAUKESHA (T)	135,724	158,345	142,510	166,262	149,636	174,575	157,118	183,304
WAUPACA	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
WAUSHARA	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258
WINNEBAGO (N)	108,280	124,521	113,694	130,747	119,379	137,284	125,348	144,148
WOOD	107,610	123,751	112,991	129,939	118,641	136,436	124,573	143,258