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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Mortgage Interest Credit

(For Holders of Qualified Mortgage Credit Certificates Issued by State or Local Governmental Units or Agencies)

2008

Attachment
 Sequence No. **138**

▶ **Attach to Form 1040 or 1040NR.** ▶ **See instructions on back.**

Name(s) shown on your tax return _____ Your social security number _____

Enter the address of your main home to which the qualified mortgage certificate relates if it is different from the address shown on your tax return.

Name of Issuer of Mortgage Credit Certificate	Mortgage Credit Certificate Number	Issue Date
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Part I Current Year Mortgage Interest Credit

1	Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid	1	
2	Enter the certificate credit rate shown on your mortgage credit certificate . Do not enter the interest rate on your home mortgage	2	%
3	If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter. You must reduce your deduction for home mortgage interest on Schedule A (Form 1040) by the amount on line 3.	3	
4	Enter any 2005 credit carryforward from line 18 of your 2007 Form 8396	4	
5	Enter any 2006 credit carryforward from line 16 of your 2007 Form 8396	5	
6	Enter any 2007 credit carryforward from line 19 of your 2007 Form 8396	6	
7	Add lines 3 through 6	7	
8	Enter the amount from Form 1040, line 44, or Form 1040NR, line 41	8	
9	1040 filers: Enter the total of the amounts from Form 1040, lines 47 through 49 1040NR filers: Enter the amount from Form 1040NR, line 44	9	
10	Subtract line 9 from line 8. If zero or less, enter -0- here and on line 13 and go to Part II	10	
11	Enter the amount from Form 6251, line 31 (see instructions)	11	
12	Subtract line 11 from line 10. If zero or less, enter -0- here and on line 13 and go to Part II	12	
13	Current year mortgage interest credit. Enter the smaller of line 7 or line 12. Also include this amount in the total on Form 1040, line 53, or Form 1040NR, line 48, and check box a on that line	13	

Part II Mortgage Interest Credit Carryforward to 2009. (Complete **only** if line 13 is less than line 7.)

14	Add lines 3 and 4	14	
15	Enter the amount from line 7	15	
16	Enter the larger of line 13 or line 14	16	
17	Subtract line 16 from line 15	17	
18	2007 credit carryforward to 2009. Enter the smaller of line 6 or line 17	18	
19	Subtract line 18 from line 17	19	
20	2006 credit carryforward to 2009. Enter the smaller of line 5 or line 19	20	
21	2008 credit carryforward to 2009. Subtract line 13 from line 3. If zero or less, enter -0-	21	