

# Recapture of Federal Mortgage Subsidy

▶ Attach to Form 1040. ▶ See separate instructions.

Name(s) \_\_\_\_\_ Social security number (as shown on page 1 of your tax return) \_\_\_\_\_

## Part I Description of Home Subject to Federally Subsidized Debt

- 1 Address of property (number and street, city or town, state, and ZIP code) \_\_\_\_\_
  
- 2 Check the box that describes the type of Federal subsidy you had on the loan for your home.
  - a  Mortgage loan from the proceeds of a tax-exempt bond
  - b  Mortgage credit certificate

**Note:** If neither box applies, you are not subject to recapture tax on the sale or other disposition of your home. **DO NOT** complete this form.
- 3 Name of the bond or certificate issuer \_\_\_\_\_  
 State \_\_\_\_\_ Political subdivision (city, county, etc.) \_\_\_\_\_ Agency, if any \_\_\_\_\_
- 4 Name and address of original lending institution \_\_\_\_\_
- 5 Date of closing of the original loan . . . . . \_\_\_\_\_  
 Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**Note:** If the date of closing of the loan was before January 1, 1991, recapture tax does not apply. **DO NOT** complete this form. If you (1) checked the box on line 2b (mortgage credit certificate), (2) refinanced your home, and (3) received a reissued mortgage credit certificate, see **Refinancing your home** on page 2 of the instructions.

- 6 Date of sale or other disposition of your interest in the home . . . . . \_\_\_\_\_  
 Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_
- 7 Number of years and full months between original closing date (line 5) and date of sale or disposition (line 6): \_\_\_\_\_  
 Years \_\_\_\_\_ Full months \_\_\_\_\_
- 8 Date of full repayment of the original loan including a refinancing other than one for which a replacement mortgage credit certificate was issued (see instructions) . . . . . \_\_\_\_\_  
 Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

## Part II Computation of Recapture Tax

9 Sales price of your interest in the home sold or disposed of (see instructions) . . . . .	<b>9</b>	
10 Expenses of sale. Include sales commissions, advertising, legal fees, etc. . . . .	<b>10</b>	
11 Amount realized. Subtract line 10 from line 9 . . . . .	<b>11</b>	
12 Adjusted basis of your interest in the home sold or disposed of (see instructions) . . . . .	<b>12</b>	
13 Gain or (loss) from sale or disposition. Subtract line 12 from line 11. If a loss, <b>stop</b> here and attach this form to your Form 1040. You <b>do not</b> owe recapture tax. . . . .	<b>13</b>	
14 Multiply line 13 by 50% (.50) . . . . .	<b>14</b>	
15 Modified adjusted gross income (see instructions) . . . . .	<b>15</b>	
16 Adjusted qualifying income (see instructions) . . . . .	<b>16</b>	
17 Subtract line 16 from line 15. If zero or less, <b>stop</b> here and attach this form to your Form 1040. You <b>do not</b> owe recapture tax . . . . .	<b>17</b>	
18 Income percentage. If the amount on line 17 is \$5,000 or more, enter "100." Otherwise, divide the amount on line 17 by \$5,000 and enter the result as a percentage. Round to the nearest whole percentage . . . . .	<b>18</b>	%
19 Federally subsidized amount (see instructions) . . . . .	<b>19</b>	
20 Holding period percentage (see instructions) . . . . .	<b>20</b>	%
21 Multiply line 19 by the percentage on line 20 . . . . .	<b>21</b>	
22 Recapture amount. Multiply line 21 by the percentage on line 18 . . . . .	<b>22</b>	
23 Tax. Enter the <b>smaller</b> of line 14 or line 22. Also, enter this amount on the line for recapture taxes on Form 1040 and check the box for Form 8828 on that line. . . . .	<b>23</b>	

