



CONNECTICUT
HOUSING FINANCE
AUTHORITY

The Key To Affordable Housing

RECAPTURE TAX

(THE FEDERAL)

DISCLOSURES

&

DOCUMENTATION

999 West Street, Rocky Hill, CT 06067-4005
Phone: (860) 721-9501 Fax: (860) 571-3550
Website: www.chfa.org

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Application Disclosures:

Notice to Mortgagor – Understanding Tax - Form 050-0597 Rev 6-16

Lenders are required to provide and review this document with all borrower/s at the time of application to explain the potential recapture tax liability associated with CHFA mortgage loan financing. This form does not require the applicant/s signature.

Notice to Mortgagor – Potential Tax - Form 051-0597 Rev 6-16

*Lenders are required to provide and review this document with all borrower/s at the time of application to explain the circumstances that dictate when recapture tax repayment may be required, **and** CHFA's plan to reimburse them if applicable. Applicants must sign the document to acknowledge they have been informed and it must be included in the loan file submitted to CHFA for processing.*

Closing Disclosure:

Notice to Mortgagor – Method to Compute - Form 052-1195- S Rev 2-17

This is a sample of the document that is provided to the Lender when a loan has been approved. This disclosure is generated through the CHFA Loan Origination System (LOS) with the CHFA first mortgage Commitment Letter.

Related Documentation:

Reimbursement Request - Form 049-0313 Rev 4-17

This form is used to request reimbursement from CHFA of the recapture tax paid following the sale or other disposition of a residence purchased and financed through tax-exempt bonds issued by CHFA for closings on or after March 18, 2013.

Threshold Income Limits Chart - Form 048-0405 Rev 6-17.

The threshold income limits for recapture tax liability chart is used to calculate any potential tax due based on the geographic location of the home and the number of years of ownership.

**NOTICE TO MORTGAGOR OF MAXIMUM RECAPTURE TAX AND
METHOD TO COMPUTE RECAPTURE TAX ON SALE OF HOME**

Loan #: _____

Borrower/s Name: _____

A. Introduction

1. **General.** Your home is being financed in whole or in part with tax-exempt bond proceeds issued by the Connecticut Housing Finance Authority (CHFA), therefore, when you sell your home you may have to pay a recapture tax as calculated below. In addition, the recapture tax may also apply if you dispose of your home in some other way. Any reference 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.
2. **Exceptions.** In the following situations, no recapture tax is due and you do not need to do the calculations:
 - (a) You dispose of your home later than nine years after you close your mortgage loan;
 - (b) Your home is disposed of as a result of your death;
 - (c) 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; or
 - (d) You dispose of your home at a loss.

B. Maximum Recapture Tax. The maximum recapture tax that you may be required to pay as an addition to your federal income tax is \$ _____. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

C. Actual Recapture Tax. The actual recapture tax, if any, can only be determined when you sell your home, and is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your recapture amount determined by multiplying the following three numbers:

- (i) \$ _____ (the Maximum Recapture Tax, as described in paragraph B above),
- (ii) The Holding Period Percentage, as listed in column 1 in the Table, and
- (iii) The Income Percentage, as described in paragraph D below.

D. Income Percentage. You calculate the income percentage as follows:

- (i) Subtract the applicable Adjusted Qualifying Income in the taxable year in which you sell your home, as listed in Column 2 in the Table, from your modified adjusted gross income in the taxable year in which you sell your home.

Your modified adjusted gross income means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income must be increased by the amount of any interest that you receive or accrue in the taxable year from tax-exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be decreased by the amount of any gain included in your gross income by reason of the sale of your home.

- (ii) If the amount calculated in (i) above is zero or less, you owe no recapture tax and do not need to make any more calculations. If it is \$5,000 or more, your income percentage is 100%. If it is greater than zero but less than \$5,000, it must be divided by \$5,000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.

E. 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 subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interest 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 recapture tax. See section 143(m) of the Internal Revenue Code generally.

TABLE			
How long did you own the Home	(Column 1) Holding Period Percentage	(Column 2) <u>Adjusted Qualifying Income</u>	
		Household size (2 or Less)	Household size (3 or more)
Less than 1 year	20		
Greater than 1 yr, Less than 2 yrs	40		
Greater than 2 yrs, Less than 3 yrs	60		
Greater than 3 yrs, Less than 4 yrs	80	<i>See "Recapture Tax Threshold Income Limit Chart"</i>	
Greater than 4 yrs, Less than 5 yrs	100	<i>for current year figures (CHFA Form 048-0405)</i>	
Greater than 5 yrs, Less than 6 yrs	80		
Greater than 6 yrs, Less than 7 yrs	60		
Greater than 7 yrs, Less than 8 yrs	40		
Greater than 8 yrs, Less than 9 yrs	20		

F. CHFA Reimbursement Request - You may be eligible to receive reimbursement from CHFA if you are required to make the federal recapture tax payment. In order to request reimbursement, please submit a written request to CHFA no later than December 31st of the calendar year in which the federal recapture tax is owed and paid, along with the following documents:

1. A copy of the signed TRID – Closing Disclosure (*formerly HUD-1 Settlement Statement*) proof of sale of the property or, in the instance where the home is disposed of by a method other than sale, documentation evidencing the transfer of title and the recapture tax assessment;
2. A copy of your filed federal tax return, along with all schedules including IRS Form 8828, for the year in which the recapture tax was assessed and paid; and
3. Evidence of payment of the recapture tax.

Please mail the completed recapture tax request package to: **Connecticut Housing Finance Authority
Residential Mortgage Programs
Recapture Tax Reimbursement
999 West Street - Rocky Hill, CT 06067**

Please note that CHFA may require additional information and/or documentation in order to approve a request for reimbursement and such approval shall be granted at the sole discretion of CHFA, subject to funding constraints and applicable statutory and procedural requirements.

I HAVE READ THE ABOVE RECAPTURE REQUIREMENT AND ACKNOWLEDGE THAT I HAVE RECEIVED INFORMATION AS TO THE FEDERAL SUBSIDIZED LOAN AMOUNT AND THE INCOME LIMITS FOR FAMILY SIZE FOR EACH OF THE NINE YEARS THE RECAPTURE TAX MAY APPLY. I ALSO ACKNOWLEDGE AND UNDERSTAND THAT I AM RESPONSIBLE FOR COMPUTING AND PAYING ANY RECAPTURE TAX WHICH I MAY OWE AND THAT I WILL NOT RECEIVE ANY ADDITIONAL INFORMATION FROM CHFA.

Lender: _____
NMLS ID: _____
Loan Originator: _____
NMLS ID: _____

(Borrower) _____ (Date)

(Borrower) _____ (Date)

**NOTICE OF POTENTIAL RECAPTURE
TAX ON SALE OF HOME**

Because you are receiving a mortgage loan from the proceeds of a tax-exempt bond, you are receiving the benefit of a lower interest rate than is customarily charged on other mortgage loans. If you sell or otherwise dispose of your home, within nine years of purchase, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases above specified levels.

You may wish to consult a tax advisor or the local office of the Internal Revenue Service at the time you sell your home to determine the amount, if any, of the recapture tax. At the closing of the purchase of your home, you will be given additional information that will be needed to calculate the potential recapture tax.

You may be eligible to receive reimbursement from CHFA if you are required to make a recapture tax payment. To request reimbursement, you must submit a written request to CHFA no later than December 31st of the year the federal recapture tax is owed and paid.

Example:

If your home is sold in 2014 and the tax return is filed in 2015, the request for reimbursement must be filed with CHFA no later than December 31, 2015. (Reimbursement requests must be submitted to CHFA before year end in the same year the tax was owed and paid to the IRS).

Please see the document provided to you at the loan closing entitled Notice to Mortgagor of Maximum Recapture Tax and Method to Compute Recapture Tax on Sale of Home for further information.

The undersigned acknowledges receipt of a copy of this Notice. I/We have read and understood the above disclosure.

If I/we sell or transfer the home being financed with this mortgage loan during the first nine years after the date of closing, I/we have the responsibility of computing and paying the recapture amount, if any, due the federal government.

_____/_____
(Borrower-Signature) (Type/Print Name) Date: _____

_____/_____
(Borrower-Signature) (Type/Print Name) Date: _____

Lender: _____
NMLS ID: _____
Loan Originator: _____
NMLS ID: _____

UNDERSTANDING RECAPTURE TAX

CONGRATULATIONS on choosing the Connecticut Housing Finance Authority's Homebuyer Program to finance the purchase of your home. Because the purchase of your home is being financed with tax exempt bond proceeds, you may be subject to a recapture tax at the time you sell your home. However, you will not be required to pay this recapture tax if any one of the following applies or you may be eligible for reimbursement from CHFA.

- Your income is below the designated federal income limit at the time you sell or otherwise dispose of your home.
- You sell your home more than nine (9) years after you buy it.
- You do not realize a gain on the sale of your home.

Please review the "Recapture Tax Threshold Income Limits" chart (CHFA Form 048-0405) located at www.chfa.org if you sell your home within nine (9) years of purchase to determine if your income exceeds the listed limits in the year you sell or otherwise dispose of your property.

If your income exceeds the federal income limit for the year in which you sell your home, you will then need to determine the recapture percentage for the corresponding year you sell your home, as noted below, in order to calculate the recapture tax:

<u>Home Sold</u>	<u>Recapture Percentage</u>
Year 1	1.25%
Year 2	2.50%
Year 3	3.75%
Year 4	5.00%
Year 5	6.25%
Year 6	5.00%
Year 7	3.75%
Year 8	2.50%
Year 9	1.25%

Below are the steps required to determine the recapture tax for the year in which you sell your home.

1. INCOME LIMIT - Determine your modified adjusted gross income below:

Adjusted Gross Income from IRS 1040		\$	
Tax exempt income earned for the year		+	
Gain on sale of the home		-	
Modified Adjusted Gross Income	=	\$	

Then determine if this income exceeds the "Recapture Tax Threshold Income Limits" (CHFA Form #048-0405) for your family size and home location, based on the year you are selling your home. If you exceed the limit, continue; if not, no recapture tax is due.

2. INCOME PERCENTAGE
Subtract the federal threshold income in the chart from your Modified Adjusted Gross Income (1. above). Then, divide that amount by \$5,000 in order to get the income percentage. (However, if the result is over 100%, use 100%).
3. RECAPTURE PERCENTAGE
Determine the recapture percentage due based on the year you are selling your home.
4. CALCULATING RECAPTURE TAX
Multiply your original amount borrowed times the recapture percentage times the income percentage in 2. above. This amount, or 50% of the gain on the sale of your home, whichever is less, is the recapture tax for the year in which you sell your home.

Please Note: You may be eligible to receive reimbursement from CHFA if you are required to make the Federal Recapture Tax payment. See "Request for Federal Recapture Tax Reimbursement" (CHFA Form 049-0313).

We hope you have found this information helpful in understanding the Federal Recapture Tax. If you have any questions, please discuss them with your mortgage loan officer or reference the Internal Revenue Service (IRS) guidelines.

Lender: _____
 NMLS ID: _____
 Loan Originator: _____
 NMLS ID: _____

REQUEST FOR FEDERAL RECAPTURE TAX REIMBURSEMENT

The undersigned requests reimbursement for the Federal recapture tax reported on IRS Form 8828 following the sale, exchange or other disposition (“Disposition”) of the below stated residence. I/We purchased our home with a mortgage loan financed through tax-exempt bonds issued by the Connecticut Housing Finance Authority (CHFA),

Certain information relating to our mortgage loan is as follows:

Name(s) of Borrower(s): _____
Address of residence: _____
Date home was purchased by Borrower(s): _____
Date home was sold by Borrower(s): _____
Sale price of home sold by Borrower(s): \$ _____
Request amount (Recapture Tax paid by Borrower(s) to IRS): \$ _____
Tax year in which Recapture Tax was paid by Borrower(s): _____
Date on which Recapture Tax was paid by Borrower(s): _____

As part of our request for reimbursement, I/we make the following statements, representations and warranties:

1. My/Our loan, which was financed from the proceeds of CHFA tax-exempt bonds, closed on or after March 18, 2013.
2. I/We filed IRS Form 8828 with my/our Federal tax return for the tax year stated above. The amount of recapture tax paid to the Internal Revenue Service (IRS) (“Request Amount”) as indicated above reflects the exact amount of recapture tax liability shown on Form 8828. I/We acknowledge that CHFA will not calculate the amount of our recapture tax and has no obligations or responsibility to verify the accuracy of our calculations.
3. I/We have not previously requested CHFA or any other company to reimburse me/us for any recapture tax with respect to the home described above. I/We will not submit another reimbursement request regarding this home for any reason, including but not limited to, the payment of additional recapture tax because of any miscalculation.
4. I/We understand that CHFA will reimburse me/us only for the amount of the recapture tax I/we reported and paid to the U. S. Treasury on IRS Form 8828 and that CHFA will not reimburse for any fees, interest, expenses or penalties incurred in connection with the recapture tax. However, in no event will the reimbursement amount payable by CHFA exceed the legally-owed recapture amount.
5. The information contained in our tax return for the calendar year in which a disposition of our home occurred was true and correct as of the date such return was filed with the IRS. Such information, together with the information included in the request for reimbursement of our recapture tax and in any other document or item requested by CHFA is or will be correct as of the date submitted to CHFA.

I/We acknowledge that CHFA’s reimbursement of our recapture tax may constitute income to me/us for Federal and/or State income tax purposes, and that I/we may have to pay taxes on this additional income.

I/We further acknowledge that CHFA will not provide me/us with additional moneys to pay such taxes.

If I/we have questions regarding the treatment of the reimbursement for tax purposes, I/we will check with our tax advisor or the Internal Revenue Service.

I/We have attached to this request for reimbursement of my/our recapture tax the following:

- A copy of my/our signed Federal tax return, including completed IRS Form 8828 for the year in which the home was sold or otherwise disposed of;
- A copy of signed TRID – Closing Disclosure (*formerly HUD-1 Settlement Statement*) issued in connection with the disposition of our home; and
- An original signed IRS Form 4506-T completed by each person listed as a borrower under the mortgage loan documents, authorizing CHFA to obtain a copy of each such borrower’s Federal tax return, including IRS Form 8828.
- Proof of payment of the taxes due with such tax return if any amount was owed.

I/We understand that CHFA may need additional documentation to approve our request for reimbursement, and I/we will provide such documentation promptly upon request.

<i>(Borrower)</i>	<i>(Date)</i>
<i>(Borrower)</i>	<i>(Date)</i>

Current Contact Information:

<i>Printed Names(s)</i>	<i>Daytime Telephone Number</i>
<i>Street Address</i>	<i>E-mail Address</i>
<i>City, State, Zip</i>	

Send Request For Recapture Tax Reimbursement To:

**Recapture Tax Reimbursement
Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067**

THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)



Fairfield County: Bridgeport*, Easton, Fairfield, Monroe, Shelton, Stratford, Trumbull

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

Fairfield County: Bethel, Brookfield, Danbury, New Fairfield, Newtown, Redding, Ridgefield, Sherman

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	129,495	148,920
Greater than 1 yr, Less than 2 yrs	40	135,970	156,366
Greater than 2 yr, Less than 3 yrs	60	142,768	164,184
Greater than 3 yr, Less than 4 yrs	80	149,907	172,394
Greater than 4 yr, Less than 5 yrs	100	157,402	181,013
Greater than 5 yr, Less than 6 yrs	80	165,272	190,064
Greater than 6 yr, Less than 7 yrs	60	173,536	199,567
Greater than 7 yr, Less than 8 yrs	40	182,212	209,545
Greater than 8 yr, Less than 9 yrs	20	191,323	220,023

Fairfield County - Targeted Area : Danbury*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	132,240	154,280
Greater than 1 yr, Less than 2 yrs	40	138,852	161,994
Greater than 2 yr, Less than 3 yrs	60	145,795	170,094
Greater than 3 yr, Less than 4 yrs	80	153,084	178,598
Greater than 4 yr, Less than 5 yrs	100	160,739	187,528
Greater than 5 yr, Less than 6 yrs	80	168,775	196,905
Greater than 6 yr, Less than 7 yrs	60	177,214	206,750
Greater than 7 yr, Less than 8 yrs	40	186,075	217,087
Greater than 8 yr, Less than 9 yrs	20	195,379	227,942

* Municipalities that are in targeted areas.

THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)



Fairfield County: Darien, Greenwich, New Canaan, Norwalk, Stamford, Weston, Westport, Wilton

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	140,400	161,460
Greater than 1 yr, Less than 2 yrs	40	147,420	169,533
Greater than 2 yr, Less than 3 yrs	60	154,791	178,010
Greater than 3 yr, Less than 4 yrs	80	162,531	186,910
Greater than 4 yr, Less than 5 yrs	100	170,657	196,256
Greater than 5 yr, Less than 6 yrs	80	179,190	206,068
Greater than 6 yr, Less than 7 yrs	60	188,149	216,372
Greater than 7 yr, Less than 8 yrs	40	197,557	227,190
Greater than 8 yr, Less than 9 yrs	20	207,435	238,550

Fairfield County - Targeted Areas: Norwalk*, Stamford*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	168,480	196,560
Greater than 1 yr, Less than 2 yrs	40	176,904	206,388
Greater than 2 yr, Less than 3 yrs	60	185,749	216,707
Greater than 3 yr, Less than 4 yrs	80	195,037	227,543
Greater than 4 yr, Less than 5 yrs	100	204,788	238,920
Greater than 5 yr, Less than 6 yrs	80	215,028	250,866
Greater than 6 yr, Less than 7 yrs	60	225,779	263,409
Greater than 7 yr, Less than 8 yrs	40	237,068	276,580
Greater than 8 yr, Less than 9 yrs	20	248,922	290,409

Hartford County: Avon, Berlin, Bloomfield, Bristol, Burlington, Canton, East Granby, East Hartford, East Windsor, Enfield, Farmington, Glastonbury, Granby, Hartford, Hartland, Manchester, Marlborough, New Britain, Newington, Plainville, Rocky Hill, Simsbury, South Windsor, Southington, Suffield, West Hartford, Wethersfield, Windsor, Windsor Locks

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,700	105,455
Greater than 1 yr, Less than 2 yrs	40	96,285	110,728
Greater than 2 yr, Less than 3 yrs	60	101,099	116,264
Greater than 3 yr, Less than 4 yrs	80	106,154	122,077
Greater than 4 yr, Less than 5 yrs	100	111,462	128,181
Greater than 5 yr, Less than 6 yrs	80	117,035	134,590
Greater than 6 yr, Less than 7 yrs	60	122,887	141,320
Greater than 7 yr, Less than 8 yrs	40	129,031	148,386
Greater than 8 yr, Less than 9 yrs	20	135,483	155,805

THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)

Hartford County - Targeted Areas : East Hartford*, Hartford*, Manchester*, New Britain*			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

Litchfield County: Barkhamsted, Bethlehem, Bridgewater, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Roxbury, Salisbury, Sharon, Thomaston, Torrington, Warren, Washington, Watertown, Winchester, Woodbury			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,700	105,455
Greater than 1 yr, Less than 2 yrs	40	96,285	110,728
Greater than 2 yr, Less than 3 yrs	60	101,099	116,264
Greater than 3 yr, Less than 4 yrs	80	106,154	122,077
Greater than 4 yr, Less than 5 yrs	100	111,462	128,181
Greater than 5 yr, Less than 6 yrs	80	117,035	134,590
Greater than 6 yr, Less than 7 yrs	60	122,887	141,320
Greater than 7 yr, Less than 8 yrs	40	129,031	148,386
Greater than 8 yr, Less than 9 yrs	20	135,483	155,805

Litchfield County - Targeted Area : Torrington*			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

* Municipalities that are in targeted areas.

THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)



Middlesex County: Chester, Cromwell, Durham, East Haddam, East Hampton, Haddam, Middlefield, Middletown, Portland

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,700	105,455
Greater than 1 yr, Less than 2 yrs	40	96,285	110,728
Greater than 2 yr, Less than 3 yrs	60	101,099	116,264
Greater than 3 yr, Less than 4 yrs	80	106,154	122,077
Greater than 4 yr, Less than 5 yrs	100	111,462	128,181
Greater than 5 yr, Less than 6 yrs	80	117,035	134,590
Greater than 6 yr, Less than 7 yrs	60	122,887	141,320
Greater than 7 yr, Less than 8 yrs	40	129,031	148,386
Greater than 8 yr, Less than 9 yrs	20	135,483	155,805

Middlesex County: Clinton, Deep River, Essex, Killingworth, Old Saybrook, Westbrook

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	106,200	122,130
Greater than 1 yr, Less than 2 yrs	40	111,510	128,237
Greater than 2 yr, Less than 3 yrs	60	117,086	134,648
Greater than 3 yr, Less than 4 yrs	80	122,940	141,381
Greater than 4 yr, Less than 5 yrs	100	129,087	148,450
Greater than 5 yr, Less than 6 yrs	80	135,541	155,872
Greater than 6 yr, Less than 7 yrs	60	142,318	163,666
Greater than 7 yr, Less than 8 yrs	40	149,434	171,849
Greater than 8 yr, Less than 9 yrs	20	156,906	180,442

Middlesex County - Targeted Area : Middletown*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

* Municipalities that are in targeted areas.

THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)



New Haven County: Ansonia, Beacon Falls, Derby, Milford, Oxford, Seymour

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	93,500	107,525
Greater than 1 yr, Less than 2 yrs	40	98,175	112,901
Greater than 2 yr, Less than 3 yrs	60	103,084	118,546
Greater than 3 yr, Less than 4 yrs	80	108,238	124,474
Greater than 4 yr, Less than 5 yrs	100	113,650	130,697
Greater than 5 yr, Less than 6 yrs	80	119,332	137,232
Greater than 6 yr, Less than 7 yrs	60	125,299	144,094
Greater than 7 yr, Less than 8 yrs	40	131,564	151,298
Greater than 8 yr, Less than 9 yrs	20	138,142	158,863

New Haven County - Targeted Areas: Ansonia*, Derby*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	112,200	130,900
Greater than 1 yr, Less than 2 yrs	40	117,810	137,445
Greater than 2 yr, Less than 3 yrs	60	123,701	144,317
Greater than 3 yr, Less than 4 yrs	80	129,886	151,533
Greater than 4 yr, Less than 5 yrs	100	136,380	159,110
Greater than 5 yr, Less than 6 yrs	80	143,199	167,065
Greater than 6 yr, Less than 7 yrs	60	150,359	175,419
Greater than 7 yr, Less than 8 yrs	40	157,877	184,189
Greater than 8 yr, Less than 9 yrs	20	165,771	193,399

New Haven County: Middlebury, Naugatuck, Prospect, Southbury, Waterbury, Wolcott

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,600	105,340
Greater than 1 yr, Less than 2 yrs	40	96,180	110,607
Greater than 2 yr, Less than 3 yrs	60	100,989	116,137
Greater than 3 yr, Less than 4 yrs	80	106,038	121,944
Greater than 4 yr, Less than 5 yrs	100	111,340	128,041
Greater than 5 yr, Less than 6 yrs	80	116,907	134,443
Greater than 6 yr, Less than 7 yrs	60	122,753	141,166
Greater than 7 yr, Less than 8 yrs	40	128,890	148,224
Greater than 8 yr, Less than 9 yrs	20	135,335	155,635

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THE FEDERAL RECAPTURE TAX

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(Effective 6/1 /2017)



New Haven County: Bethany, Branford, Cheshire, East Haven, Guilford, Hamden, Madison, Meriden, New Haven, North Branford, North Haven, Orange, Wallingford, West Haven, Woodbridge

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,700	105,455
Greater than 1 yr, Less than 2 yrs	40	96,285	110,728
Greater than 2 yr, Less than 3 yrs	60	101,099	116,264
Greater than 3 yr, Less than 4 yrs	80	106,154	122,077
Greater than 4 yr, Less than 5 yrs	100	111,462	128,181
Greater than 5 yr, Less than 6 yrs	80	117,035	134,590
Greater than 6 yr, Less than 7 yrs	60	122,887	141,320
Greater than 7 yr, Less than 8 yrs	40	129,031	148,386
Greater than 8 yr, Less than 9 yrs	20	135,483	155,805

New Haven County - Targeted Area : Waterbury*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	109,920	128,240
Greater than 1 yr, Less than 2 yrs	40	115,416	134,652
Greater than 2 yr, Less than 3 yrs	60	121,187	141,385
Greater than 3 yr, Less than 4 yrs	80	127,246	148,454
Greater than 4 yr, Less than 5 yrs	100	133,608	155,877
Greater than 5 yr, Less than 6 yrs	80	140,289	163,670
Greater than 6 yr, Less than 7 yrs	60	147,303	171,854
Greater than 7 yr, Less than 8 yrs	40	154,668	180,447
Greater than 8 yr, Less than 9 yrs	20	162,402	189,469

New Haven County - Targeted Areas : Meriden*, New Haven*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

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THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)



<u>New London County:</u> Colchester, Lebanon			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	108,800	125,120
Greater than 1 yr, Less than 2 yrs	40	114,240	131,376
Greater than 2 yr, Less than 3 yrs	60	119,952	137,945
Greater than 3 yr, Less than 4 yrs	80	125,950	144,842
Greater than 4 yr, Less than 5 yrs	100	132,247	152,084
Greater than 5 yr, Less than 6 yrs	80	138,859	159,688
Greater than 6 yr, Less than 7 yrs	60	145,802	167,673
Greater than 7 yr, Less than 8 yrs	40	153,093	176,056
Greater than 8 yr, Less than 9 yrs	20	160,747	184,859
<u>New London County:</u> Bozrah, East Lyme, Franklin, Griswold, Groton, Ledyard, Lisbon, Lyme, Montville, New London, North Stonington, Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown, Waterford			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,700	105,455
Greater than 1 yr, Less than 2 yrs	40	96,285	110,728
Greater than 2 yr, Less than 3 yrs	60	101,099	116,264
Greater than 3 yr, Less than 4 yrs	80	106,154	122,077
Greater than 4 yr, Less than 5 yrs	100	111,462	128,181
Greater than 5 yr, Less than 6 yrs	80	117,035	134,590
Greater than 6 yr, Less than 7 yrs	60	122,887	141,320
Greater than 7 yr, Less than 8 yrs	40	129,031	148,386
Greater than 8 yr, Less than 9 yrs	20	135,483	155,805
<u>New London County - Targeted Areas:</u> Groton*, New London*, Norwich*			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

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THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)



Tolland County: Andover, Bolton, Columbia, Coventry, Ellington, Hebron, Mansfield, Somers, Stafford, Tolland, Union, Vernon, Willington

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,700	105,455
Greater than 1 yr, Less than 2 yrs	40	96,285	110,728
Greater than 2 yr, Less than 3 yrs	60	101,099	116,264
Greater than 3 yr, Less than 4 yrs	80	106,154	122,077
Greater than 4 yr, Less than 5 yrs	100	111,462	128,181
Greater than 5 yr, Less than 6 yrs	80	117,035	134,590
Greater than 6 yr, Less than 7 yrs	60	122,887	141,320
Greater than 7 yr, Less than 8 yrs	40	129,031	148,386
Greater than 8 yr, Less than 9 yrs	20	135,483	155,805

Tolland County - Targeted Area : Mansfield*

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	110,040	128,380
Greater than 1 yr, Less than 2 yrs	40	115,542	134,799
Greater than 2 yr, Less than 3 yrs	60	121,319	141,539
Greater than 3 yr, Less than 4 yrs	80	127,385	148,616
Greater than 4 yr, Less than 5 yrs	100	133,754	156,047
Greater than 5 yr, Less than 6 yrs	80	140,442	163,849
Greater than 6 yr, Less than 7 yrs	60	147,464	172,041
Greater than 7 yr, Less than 8 yrs	40	154,837	180,644
Greater than 8 yr, Less than 9 yrs	20	162,579	189,676

Windham County: Ashford, Brooklyn, Canterbury, Chaplin, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, Windham, Woodstock

How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	91,600	105,340
Greater than 1 yr, Less than 2 yrs	40	96,180	110,607
Greater than 2 yr, Less than 3 yrs	60	100,989	116,137
Greater than 3 yr, Less than 4 yrs	80	106,038	121,944
Greater than 4 yr, Less than 5 yrs	100	111,340	128,041
Greater than 5 yr, Less than 6 yrs	80	116,907	134,443
Greater than 6 yr, Less than 7 yrs	60	122,753	141,166
Greater than 7 yr, Less than 8 yrs	40	128,890	148,224
Greater than 8 yr, Less than 9 yrs	20	135,335	155,635

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THE FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 6/1 /2017)

Windham County - Targeted Area : Windham*			
How long did you own the Home	(Column 1)	(Column 2)	
	Holding	Adjusted Qualifying Income	
	Period Percentage	Household Size (2 or Less)	Household Size (3 or More)
Less than 1 year	20	109,920	128,240
Greater than 1 yr, Less than 2 yrs	40	115,416	134,652
Greater than 2 yr, Less than 3 yrs	60	121,187	141,385
Greater than 3 yr, Less than 4 yrs	80	127,246	148,454
Greater than 4 yr, Less than 5 yrs	100	133,608	155,877
Greater than 5 yr, Less than 6 yrs	80	140,289	163,670
Greater than 6 yr, Less than 7 yrs	60	147,303	171,854
Greater than 7 yr, Less than 8 yrs	40	154,668	180,447
Greater than 8 yr, Less than 9 yrs	20	162,402	189,469

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