



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](http://www.chfa.org)

# Table of Contents

## 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 6-4-18. . . . .**

*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.

| <b>TABLE</b>                        |   |   |                               |
|-------------------------------------|---|---|-------------------------------|
| How long did you own the Home       | (Column 1)<br>Holding<br>Period<br>Percentage | (Column 2)<br><u>Adjusted Qualifying Income</u>   |                               |
|                                     |   | Household size<br>(2 or Less)   | Household size<br>(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"<br/>for current year figures (CHFA Form 048-0405)</i> |                               |
| Greater than 4 yrs, Less than 5 yrs | 100   |   |                               |
| 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 31<sup>st</sup> 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 31<sup>st</sup> 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](http://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 6/4/2018 )

| <b>Fairfield County:</b> 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<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year  | 20                | 116,160                        | 135,520                       |
| Greater than 1 yr, Less than 2 yrs  | 40                | 121,968                        | 142,296                       |
| Greater than 2 yr, Less than 3 yrs  | 60                | 128,066                        | 149,411                       |
| Greater than 3 yr, Less than 4 yrs  | 80                | 134,470                        | 156,881                       |
| Greater than 4 yr, Less than 5 yrs  | 100               | 141,193                        | 164,725                       |
| Greater than 5 yr, Less than 6 yrs  | 80                | 148,253                        | 172,962                       |
| Greater than 6 yr, Less than 7 yrs  | 60                | 155,666                        | 181,610                       |
| Greater than 7 yr, Less than 8 yrs  | 40                | 163,449                        | 190,690                       |
| Greater than 8 yr, Less than 9 yrs  | 20                | 171,621                        | 200,225                       |

  

| <b>Fairfield County:</b> 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<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year  | 20                | 129,710                        | 149,165                       |
| Greater than 1 yr, Less than 2 yrs  | 40                | 136,196                        | 156,623                       |
| Greater than 2 yr, Less than 3 yrs  | 60                | 143,005                        | 164,454                       |
| Greater than 3 yr, Less than 4 yrs  | 80                | 150,156                        | 172,677                       |
| Greater than 4 yr, Less than 5 yrs  | 100               | 157,663                        | 181,311                       |
| Greater than 5 yr, Less than 6 yrs  | 80                | 165,546                        | 190,377                       |
| Greater than 6 yr, Less than 7 yrs  | 60                | 173,824                        | 199,895                       |
| Greater than 7 yr, Less than 8 yrs  | 40                | 182,515                        | 209,890                       |
| Greater than 8 yr, Less than 9 yrs  | 20                | 191,641                        | 220,385                       |

  

| <b>Fairfield County - Targeted Area :</b> Danbury* |                   |                                |                               |
|--|-------------------|--------------------------------|-------------------------------|
| How long did you own the Home                      | (Column 1)        | (Column 2)                     |                               |
|  | Holding           | Adjusted Qualifying Income     |                               |
|  | Period Percentage | Household Size<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year                                   | 20                | 139,560                        | 162,820                       |
| Greater than 1 yr, Less than 2 yrs                 | 40                | 146,538                        | 170,961                       |
| Greater than 2 yr, Less than 3 yrs                 | 60                | 153,865                        | 179,509                       |
| Greater than 3 yr, Less than 4 yrs                 | 80                | 161,558                        | 188,485                       |
| Greater than 4 yr, Less than 5 yrs                 | 100               | 169,636                        | 197,909                       |
| Greater than 5 yr, Less than 6 yrs                 | 80                | 178,118                        | 207,804                       |
| Greater than 6 yr, Less than 7 yrs                 | 60                | 187,024                        | 218,194                       |
| Greater than 7 yr, Less than 8 yrs                 | 40                | 196,375                        | 229,104                       |
| Greater than 8 yr, Less than 9 yrs                 | 20                | 206,194                        | 240,559                       |

\* Municipalities that are in targeted areas.

# THE FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS



( Effective 6/4/2018 )

| <b>Fairfield County:</b> 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<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year  | 20                | 134,900                        | 155,135                       |
| Greater than 1 yr, Less than 2 yrs  | 40                | 141,645                        | 162,892                       |
| Greater than 2 yr, Less than 3 yrs  | 60                | 148,727                        | 171,036                       |
| Greater than 3 yr, Less than 4 yrs  | 80                | 156,164                        | 179,588                       |
| Greater than 4 yr, Less than 5 yrs  | 100               | 163,972                        | 188,568                       |
| Greater than 5 yr, Less than 6 yrs  | 80                | 172,170                        | 197,996                       |
| Greater than 6 yr, Less than 7 yrs  | 60                | 180,779                        | 207,896                       |
| Greater than 7 yr, Less than 8 yrs  | 40                | 189,818                        | 218,291                       |
| Greater than 8 yr, Less than 9 yrs  | 20                | 199,309                        | 229,205                       |

| <b>Fairfield County - Targeted Areas:</b> Norwalk*, Stamford* |                   |                                |                               |
|---|-------------------|--------------------------------|-------------------------------|
| How long did you own the Home                                 | (Column 1)        | (Column 2)                     |                               |
|   | Holding           | Adjusted Qualifying Income     |                               |
|   | Period Percentage | Household Size<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year  | 20                | 161,880                        | 188,860                       |
| Greater than 1 yr, Less than 2 yrs                            | 40                | 169,974                        | 198,303                       |
| Greater than 2 yr, Less than 3 yrs                            | 60                | 178,473                        | 208,218                       |
| Greater than 3 yr, Less than 4 yrs                            | 80                | 187,396                        | 218,629                       |
| Greater than 4 yr, Less than 5 yrs                            | 100               | 196,766                        | 229,561                       |
| Greater than 5 yr, Less than 6 yrs                            | 80                | 206,604                        | 241,039                       |
| Greater than 6 yr, Less than 7 yrs                            | 60                | 216,935                        | 253,090                       |
| Greater than 7 yr, Less than 8 yrs                            | 40                | 227,781                        | 265,745                       |
| Greater than 8 yr, Less than 9 yrs                            | 20                | 239,170                        | 279,032                       |

| <b>Hartford County:</b> 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<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year  | 20                | 96,800                         | 111,320                       |
| Greater than 1 yr, Less than 2 yrs  | 40                | 101,640                        | 116,886                       |
| Greater than 2 yr, Less than 3 yrs  | 60                | 106,722                        | 122,730                       |
| Greater than 3 yr, Less than 4 yrs  | 80                | 112,058                        | 128,867                       |
| Greater than 4 yr, Less than 5 yrs  | 100               | 117,661                        | 135,310                       |
| Greater than 5 yr, Less than 6 yrs  | 80                | 123,544                        | 142,076                       |
| Greater than 6 yr, Less than 7 yrs  | 60                | 129,721                        | 149,179                       |
| Greater than 7 yr, Less than 8 yrs  | 40                | 136,207                        | 156,638                       |
| Greater than 8 yr, Less than 9 yrs  | 20                | 143,018                        | 164,470                       |

\* Municipalities that are in targeted areas.

# THE FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/4/2018 )

| <b>Hartford County - Targeted Areas :</b> 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<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year   | 20                | 116,160                        | 135,520                       |
| Greater than 1 yr, Less than 2 yrs   | 40                | 121,968                        | 142,296                       |
| Greater than 2 yr, Less than 3 yrs   | 60                | 128,066                        | 149,411                       |
| Greater than 3 yr, Less than 4 yrs   | 80                | 134,470                        | 156,881                       |
| Greater than 4 yr, Less than 5 yrs   | 100               | 141,193                        | 164,725                       |
| Greater than 5 yr, Less than 6 yrs   | 80                | 148,253                        | 172,962                       |
| Greater than 6 yr, Less than 7 yrs   | 60                | 155,666                        | 181,610                       |
| Greater than 7 yr, Less than 8 yrs   | 40                | 163,449                        | 190,690                       |
| Greater than 8 yr, Less than 9 yrs   | 20                | 171,621                        | 200,225                       |

  

| <b>Litchfield County:</b> 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<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year   | 20                | 96,800                         | 111,320                       |
| Greater than 1 yr, Less than 2 yrs   | 40                | 101,640                        | 116,886                       |
| Greater than 2 yr, Less than 3 yrs   | 60                | 106,722                        | 122,730                       |
| Greater than 3 yr, Less than 4 yrs   | 80                | 112,058                        | 128,867                       |
| Greater than 4 yr, Less than 5 yrs   | 100               | 117,661                        | 135,310                       |
| Greater than 5 yr, Less than 6 yrs   | 80                | 123,544                        | 142,076                       |
| Greater than 6 yr, Less than 7 yrs   | 60                | 129,721                        | 149,179                       |
| Greater than 7 yr, Less than 8 yrs   | 40                | 136,207                        | 156,638                       |
| Greater than 8 yr, Less than 9 yrs   | 20                | 143,018                        | 164,470                       |

  

| <b>Litchfield County - Targeted Area :</b> Torrington* |                   |                                |                               |
|--|-------------------|--------------------------------|-------------------------------|
| How long did you own the Home                          | (Column 1)        | (Column 2)                     |                               |
|  | Holding           | Adjusted Qualifying Income     |                               |
|  | Period Percentage | Household Size<br>( 2 or Less) | Household Size<br>(3 or More) |
| Less than 1 year                                       | 20                | 116,160                        | 135,520                       |
| Greater than 1 yr, Less than 2 yrs                     | 40                | 121,968                        | 142,296                       |
| Greater than 2 yr, Less than 3 yrs                     | 60                | 128,066                        | 149,411                       |
| Greater than 3 yr, Less than 4 yrs                     | 80                | 134,470                        | 156,881                       |
| Greater than 4 yr, Less than 5 yrs                     | 100               | 141,193                        | 164,725                       |
| Greater than 5 yr, Less than 6 yrs                     | 80                | 148,253                        | 172,962                       |
| Greater than 6 yr, Less than 7 yrs                     | 60                | 155,666                        | 181,610                       |
| Greater than 7 yr, Less than 8 yrs                     | 40                | 163,449                        | 190,690                       |
| Greater than 8 yr, Less than 9 yrs                     | 20                | 171,621                        | 200,225                       |

\* Municipalities that are in targeted areas.

# THE FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/4/2018 )



| <b>Middlesex County:</b> 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<br>( 2 or Less ) | Household Size<br>( 3 or More ) |
| Less than 1 year  | 20                | 96,800                          | 111,320                         |
| Greater than 1 yr, Less than 2 yrs  | 40                | 101,640                         | 116,886                         |
| Greater than 2 yr, Less than 3 yrs  | 60                | 106,722                         | 122,730                         |
| Greater than 3 yr, Less than 4 yrs  | 80                | 112,058                         | 128,867                         |
| Greater than 4 yr, Less than 5 yrs  | 100               | 117,661                         | 135,310                         |
| Greater than 5 yr, Less than 6 yrs  | 80                | 123,544                         | 142,076                         |
| Greater than 6 yr, Less than 7 yrs  | 60                | 129,721                         | 149,179                         |
| Greater than 7 yr, Less than 8 yrs  | 40                | 136,207                         | 156,638                         |
| Greater than 8 yr, Less than 9 yrs  | 20                | 143,018                         | 164,470                         |
| <b>Middlesex County:</b> 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<br>( 2 or Less ) | Household Size<br>( 3 or More ) |
| Less than 1 year  | 20                | 108,500                         | 124,775                         |
| Greater than 1 yr, Less than 2 yrs  | 40                | 113,925                         | 131,014                         |
| Greater than 2 yr, Less than 3 yrs  | 60                | 119,621                         | 137,564                         |
| Greater than 3 yr, Less than 4 yrs  | 80                | 125,602                         | 144,443                         |
| Greater than 4 yr, Less than 5 yrs  | 100               | 131,882                         | 151,665                         |
| Greater than 5 yr, Less than 6 yrs  | 80                | 138,477                         | 159,248                         |
| Greater than 6 yr, Less than 7 yrs  | 60                | 145,400                         | 167,210                         |
| Greater than 7 yr, Less than 8 yrs  | 40                | 152,670                         | 175,571                         |
| Greater than 8 yr, Less than 9 yrs  | 20                | 160,304                         | 184,350                         |
| <b>Middlesex County - Targeted Area :</b> Middletown*   |                   |                                 |                                 |
| How long did you own the Home   | (Column 1)        | (Column 2)                      |                                 |
|   | Holding           | Adjusted Qualifying Income      |                                 |
|   | Period Percentage | Household Size<br>( 2 or Less ) | Household Size<br>( 3 or More ) |
| Less than 1 year  | 20                | 116,160                         | 135,520                         |
| Greater than 1 yr, Less than 2 yrs  | 40                | 121,968                         | 142,296                         |
| Greater than 2 yr, Less than 3 yrs  | 60                | 128,066                         | 149,411                         |
| Greater than 3 yr, Less than 4 yrs  | 80                | 134,470                         | 156,881                         |
| Greater than 4 yr, Less than 5 yrs  | 100               | 141,193                         | 164,725                         |
| Greater than 5 yr, Less than 6 yrs  | 80                | 148,253                         | 172,962                         |
| Greater than 6 yr, Less than 7 yrs  | 60                | 155,666                         | 181,610                         |
| Greater than 7 yr, Less than 8 yrs  | 40                | 163,449                         | 190,690                         |
| Greater than 8 yr, Less than 9 yrs  | 20                | 171,621                         | 200,225                         |

\* Municipalities that are in targeted areas.

# THE FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/4/2018 )



**New Haven County:** Ansonia\*, Beacon Falls, Bethany, Branford, Cheshire, Derby\*, East Haven, Guilford, Hamden, Madison, Meriden\*, Middlebury, Milford, Naugatuck, New Haven\*, North Branford, North Haven, Orange, Oxford, Seymour, Wolcott, 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                | 96,800                      | 111,320                    |
| Greater than 1 yr, Less than 2 yrs | 40                | 101,640                     | 116,886                    |
| Greater than 2 yr, Less than 3 yrs | 60                | 106,722                     | 122,730                    |
| Greater than 3 yr, Less than 4 yrs | 80                | 112,058                     | 128,867                    |
| Greater than 4 yr, Less than 5 yrs | 100               | 117,661                     | 135,310                    |
| Greater than 5 yr, Less than 6 yrs | 80                | 123,544                     | 142,076                    |
| Greater than 6 yr, Less than 7 yrs | 60                | 129,721                     | 149,179                    |
| Greater than 7 yr, Less than 8 yrs | 40                | 136,207                     | 156,638                    |
| Greater than 8 yr, Less than 9 yrs | 20                | 143,018                     | 164,470                    |

**New Haven County - Targeted Areas:** Ansonia\*, Derby\*, Meriden\*, New Haven\*, 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                | 116,160                     | 135,520                    |
| Greater than 1 yr, Less than 2 yrs | 40                | 121,968                     | 142,296                    |
| Greater than 2 yr, Less than 3 yrs | 60                | 128,066                     | 149,411                    |
| Greater than 3 yr, Less than 4 yrs | 80                | 134,470                     | 156,881                    |
| Greater than 4 yr, Less than 5 yrs | 100               | 141,193                     | 164,725                    |
| Greater than 5 yr, Less than 6 yrs | 80                | 148,253                     | 172,962                    |
| Greater than 6 yr, Less than 7 yrs | 60                | 155,666                     | 181,610                    |
| Greater than 7 yr, Less than 8 yrs | 40                | 163,449                     | 190,690                    |
| Greater than 8 yr, Less than 9 yrs | 20                | 171,621                     | 200,225                    |

**New London County:** 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                | 110,200                     | 126,730                    |
| Greater than 1 yr, Less than 2 yrs | 40                | 115,710                     | 133,067                    |
| Greater than 2 yr, Less than 3 yrs | 60                | 121,496                     | 139,720                    |
| Greater than 3 yr, Less than 4 yrs | 80                | 127,570                     | 146,706                    |
| Greater than 4 yr, Less than 5 yrs | 100               | 133,949                     | 154,041                    |
| Greater than 5 yr, Less than 6 yrs | 80                | 140,646                     | 161,743                    |
| Greater than 6 yr, Less than 7 yrs | 60                | 147,679                     | 169,830                    |
| Greater than 7 yr, Less than 8 yrs | 40                | 155,062                     | 178,322                    |
| Greater than 8 yr, Less than 9 yrs | 20                | 162,816                     | 187,238                    |

\* Municipalities that are in targeted areas.

# THE FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS



( Effective 6/4/2018 )

| <b><u>New London County:</u></b> 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                | 96,800                      | 111,320                    |
| Greater than 1 yr, Less than 2 yrs  | 40                | 101,640                     | 116,886                    |
| Greater than 2 yr, Less than 3 yrs  | 60                | 106,722                     | 122,730                    |
| Greater than 3 yr, Less than 4 yrs  | 80                | 112,058                     | 128,867                    |
| Greater than 4 yr, Less than 5 yrs  | 100               | 117,661                     | 135,310                    |
| Greater than 5 yr, Less than 6 yrs  | 80                | 123,544                     | 142,076                    |
| Greater than 6 yr, Less than 7 yrs  | 60                | 129,721                     | 149,179                    |
| Greater than 7 yr, Less than 8 yrs  | 40                | 136,207                     | 156,638                    |
| Greater than 8 yr, Less than 9 yrs  | 20                | 143,018                     | 164,470                    |
| <b><u>New London County - Targeted Areas:</u></b> 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                | 116,160                     | 135,520                    |
| Greater than 1 yr, Less than 2 yrs  | 40                | 121,968                     | 142,296                    |
| Greater than 2 yr, Less than 3 yrs  | 60                | 128,066                     | 149,411                    |
| Greater than 3 yr, Less than 4 yrs  | 80                | 134,470                     | 156,881                    |
| Greater than 4 yr, Less than 5 yrs  | 100               | 141,193                     | 164,725                    |
| Greater than 5 yr, Less than 6 yrs  | 80                | 148,253                     | 172,962                    |
| Greater than 6 yr, Less than 7 yrs  | 60                | 155,666                     | 181,610                    |
| Greater than 7 yr, Less than 8 yrs  | 40                | 163,449                     | 190,690                    |
| Greater than 8 yr, Less than 9 yrs  | 20                | 171,621                     | 200,225                    |
| <b><u>Tolland County:</u></b> 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                | 96,800                      | 111,320                    |
| Greater than 1 yr, Less than 2 yrs  | 40                | 101,640                     | 116,886                    |
| Greater than 2 yr, Less than 3 yrs  | 60                | 106,722                     | 122,730                    |
| Greater than 3 yr, Less than 4 yrs  | 80                | 112,058                     | 128,867                    |
| Greater than 4 yr, Less than 5 yrs  | 100               | 117,661                     | 135,310                    |
| Greater than 5 yr, Less than 6 yrs  | 80                | 123,544                     | 142,076                    |
| Greater than 6 yr, Less than 7 yrs  | 60                | 129,721                     | 149,179                    |
| Greater than 7 yr, Less than 8 yrs  | 40                | 136,207                     | 156,638                    |
| Greater than 8 yr, Less than 9 yrs  | 20                | 143,018                     | 164,470                    |

\* Municipalities that are in targeted areas.

# THE FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/4/2018 )



| <b>Tolland County - Targeted Area :</b> 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                | 116,160                     | 135,520                    |
| Greater than 1 yr, Less than 2 yrs                 | 40                | 121,968                     | 142,296                    |
| Greater than 2 yr, Less than 3 yrs                 | 60                | 128,066                     | 149,411                    |
| Greater than 3 yr, Less than 4 yrs                 | 80                | 134,470                     | 156,881                    |
| Greater than 4 yr, Less than 5 yrs                 | 100               | 141,193                     | 164,725                    |
| Greater than 5 yr, Less than 6 yrs                 | 80                | 148,253                     | 172,962                    |
| Greater than 6 yr, Less than 7 yrs                 | 60                | 155,666                     | 181,610                    |
| Greater than 7 yr, Less than 8 yrs                 | 40                | 163,449                     | 190,690                    |
| Greater than 8 yr, Less than 9 yrs                 | 20                | 171,621                     | 200,225                    |

  

| <b>Windham County:</b> 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                | 96,800                      | 111,320                    |
| Greater than 1 yr, Less than 2 yrs  | 40                | 101,640                     | 116,886                    |
| Greater than 2 yr, Less than 3 yrs  | 60                | 106,722                     | 122,730                    |
| Greater than 3 yr, Less than 4 yrs  | 80                | 112,058                     | 128,867                    |
| Greater than 4 yr, Less than 5 yrs  | 100               | 117,661                     | 135,310                    |
| Greater than 5 yr, Less than 6 yrs  | 80                | 123,544                     | 142,076                    |
| Greater than 6 yr, Less than 7 yrs  | 60                | 129,721                     | 149,179                    |
| Greater than 7 yr, Less than 8 yrs  | 40                | 136,207                     | 156,638                    |
| Greater than 8 yr, Less than 9 yrs  | 20                | 143,018                     | 164,470                    |

  

| <b>Windham County - Targeted Area :</b> 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                | 116,160                     | 135,520                    |
| Greater than 1 yr, Less than 2 yrs               | 40                | 121,968                     | 142,296                    |
| Greater than 2 yr, Less than 3 yrs               | 60                | 128,066                     | 149,411                    |
| Greater than 3 yr, Less than 4 yrs               | 80                | 134,470                     | 156,881                    |
| Greater than 4 yr, Less than 5 yrs               | 100               | 141,193                     | 164,725                    |
| Greater than 5 yr, Less than 6 yrs               | 80                | 148,253                     | 172,962                    |
| Greater than 6 yr, Less than 7 yrs               | 60                | 155,666                     | 181,610                    |
| Greater than 7 yr, Less than 8 yrs               | 40                | 163,449                     | 190,690                    |
| Greater than 8 yr, Less than 9 yrs               | 20                | 171,621                     | 200,225                    |

\* Municipalities that are in targeted areas.