



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

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 5-21

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 5-25-21.

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.

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: _____

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: _____

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		See "Recapture Tax Threshold Income Limit Chart" for current year figures (CHFA Form 048-0405)	
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 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)

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.

(Borrower)

(Borrower)

(Date)

(Date)

Current Contact Information:

Printed Names(s)

Street Address

City, State, Zip

Daytime Telephone Number

E-mail Address

Send Request For Recapture Tax Reimbursement To:

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

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

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	134,350	154,500
Greater than 1 yr, Less than 2 yrs	40	141,068	162,225
Greater than 2 yr, Less than 3 yrs	60	148,121	170,336
Greater than 3 yr, Less than 4 yrs	80	155,527	178,853
Greater than 4 yr, Less than 5 yrs	100	163,303	187,796
Greater than 5 yr, Less than 6 yrs	80	171,468	197,186
Greater than 6 yr, Less than 7 yrs	60	180,042	207,045
Greater than 7 yr, Less than 8 yrs	40	189,044	217,397
Greater than 8 yr, Less than 9 yrs	20	198,496	228,267

Fairfield County - Targeted Area: Bridgeport*

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	135,120	157,640
Greater than 1 yr, Less than 2 yrs	40	141,876	165,522
Greater than 2 yr, Less than 3 yrs	60	148,970	173,798
Greater than 3 yr, Less than 4 yrs	80	156,418	182,488
Greater than 4 yr, Less than 5 yrs	100	164,239	191,612
Greater than 5 yr, Less than 6 yrs	80	172,451	201,193
Greater than 6 yr, Less than 7 yrs	60	181,074	211,253
Greater than 7 yr, Less than 8 yrs	40	190,127	221,815
Greater than 8 yr, Less than 9 yrs	20	199,634	232,906

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	130,950	150,590
Greater than 1 yr, Less than 2 yrs	40	137,498	158,120
Greater than 2 yr, Less than 3 yrs	60	144,372	166,025
Greater than 3 yr, Less than 4 yrs	80	151,591	174,327
Greater than 4 yr, Less than 5 yrs	100	159,171	183,043
Greater than 5 yr, Less than 6 yrs	80	167,129	192,195
Greater than 6 yr, Less than 7 yrs	60	175,486	201,805
Greater than 7 yr, Less than 8 yrs	40	184,260	211,895
Greater than 8 yr, Less than 9 yrs	20	193,473	222,490

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

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	155,520	181,440
Greater than 1 yr, Less than 2 yrs	40	163,296	190,512
Greater than 2 yr, Less than 3 yrs	60	171,461	200,038
Greater than 3 yr, Less than 4 yrs	80	180,034	210,039
Greater than 4 yr, Less than 5 yrs	100	189,036	220,541
Greater than 5 yr, Less than 6 yrs	80	198,487	231,569
Greater than 6 yr, Less than 7 yrs	60	208,412	243,147
Greater than 7 yr, Less than 8 yrs	40	218,832	255,304
Greater than 8 yr, Less than 9 yrs	20	229,774	268,070

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	168,300	193,545
Greater than 1 yr, Less than 2 yrs	40	176,715	203,222
Greater than 2 yr, Less than 3 yrs	60	185,551	213,383
Greater than 3 yr, Less than 4 yrs	80	194,828	224,053
Greater than 4 yr, Less than 5 yrs	100	204,570	235,255
Greater than 5 yr, Less than 6 yrs	80	214,798	247,018
Greater than 6 yr, Less than 7 yrs	60	225,538	259,369
Greater than 7 yr, Less than 8 yrs	40	236,815	272,337
Greater than 8 yr, Less than 9 yrs	20	248,656	285,954

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	201,960	235,620
Greater than 1 yr, Less than 2 yrs	40	212,058	247,401
Greater than 2 yr, Less than 3 yrs	60	222,661	259,771
Greater than 3 yr, Less than 4 yrs	80	233,794	272,760
Greater than 4 yr, Less than 5 yrs	100	245,484	286,398
Greater than 5 yr, Less than 6 yrs	80	257,758	300,717
Greater than 6 yr, Less than 7 yrs	60	270,646	315,753
Greater than 7 yr, Less than 8 yrs	40	284,178	331,541
Greater than 8 yr, Less than 9 yrs	20	298,387	348,118

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

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	112,700	129,605
Greater than 1 yr, Less than 2 yrs	40	118,335	136,085
Greater than 2 yr, Less than 3 yrs	60	124,252	142,890
Greater than 3 yr, Less than 4 yrs	80	130,464	150,034
Greater than 4 yr, Less than 5 yrs	100	136,988	157,536
Greater than 5 yr, Less than 6 yrs	80	143,837	165,412
Greater than 6 yr, Less than 7 yrs	60	151,029	173,683
Greater than 7 yr, Less than 8 yrs	40	158,580	182,367
Greater than 8 yr, Less than 9 yrs	20	166,509	191,486

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	135,240	157,780
Greater than 1 yr, Less than 2 yrs	40	142,002	165,669
Greater than 2 yr, Less than 3 yrs	60	149,102	173,952
Greater than 3 yr, Less than 4 yrs	80	156,557	182,650
Greater than 4 yr, Less than 5 yrs	100	164,385	191,783
Greater than 5 yr, Less than 6 yrs	80	172,604	201,372
Greater than 6 yr, Less than 7 yrs	60	181,235	211,440
Greater than 7 yr, Less than 8 yrs	40	190,296	222,012
Greater than 8 yr, Less than 9 yrs	20	199,811	233,113

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	112,600	129,490
Greater than 1 yr, Less than 2 yrs	40	118,230	135,965
Greater than 2 yr, Less than 3 yrs	60	124,142	142,763
Greater than 3 yr, Less than 4 yrs	80	130,349	149,901
Greater than 4 yr, Less than 5 yrs	100	136,866	157,396
Greater than 5 yr, Less than 6 yrs	80	143,709	165,266
Greater than 6 yr, Less than 7 yrs	60	150,895	173,529
Greater than 7 yr, Less than 8 yrs	40	158,440	182,205
Greater than 8 yr, Less than 9 yrs	20	166,361	191,316

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

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	135,120	157,640
Greater than 1 yr, Less than 2 yrs	40	141,876	165,522
Greater than 2 yr, Less than 3 yrs	60	148,970	173,798
Greater than 3 yr, Less than 4 yrs	80	156,418	182,488
Greater than 4 yr, Less than 5 yrs	100	164,239	191,612
Greater than 5 yr, Less than 6 yrs	80	172,451	201,193
Greater than 6 yr, Less than 7 yrs	60	181,074	211,253
Greater than 7 yr, Less than 8 yrs	40	190,127	221,815
Greater than 8 yr, Less than 9 yrs	20	199,634	232,906

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	112,700	129,605
Greater than 1 yr, Less than 2 yrs	40	118,335	136,085
Greater than 2 yr, Less than 3 yrs	60	124,252	142,890
Greater than 3 yr, Less than 4 yrs	80	130,464	150,034
Greater than 4 yr, Less than 5 yrs	100	136,988	157,536
Greater than 5 yr, Less than 6 yrs	80	143,837	165,412
Greater than 6 yr, Less than 7 yrs	60	151,029	173,683
Greater than 7 yr, Less than 8 yrs	40	158,580	182,367
Greater than 8 yr, Less than 9 yrs	20	166,509	191,486

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	124,900	143,635
Greater than 1 yr, Less than 2 yrs	40	131,145	150,817
Greater than 2 yr, Less than 3 yrs	60	137,702	158,358
Greater than 3 yr, Less than 4 yrs	80	144,587	166,275
Greater than 4 yr, Less than 5 yrs	100	151,817	174,589
Greater than 5 yr, Less than 6 yrs	80	159,408	183,319
Greater than 6 yr, Less than 7 yrs	60	167,378	192,485
Greater than 7 yr, Less than 8 yrs	40	175,747	202,109
Greater than 8 yr, Less than 9 yrs	20	184,534	212,214

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

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	135,240	157,780
Greater than 1 yr, Less than 2 yrs	40	142,002	165,669
Greater than 2 yr, Less than 3 yrs	60	149,102	173,952
Greater than 3 yr, Less than 4 yrs	80	156,557	182,650
Greater than 4 yr, Less than 5 yrs	100	164,385	191,783
Greater than 5 yr, Less than 6 yrs	80	172,604	201,372
Greater than 6 yr, Less than 7 yrs	60	181,235	211,440
Greater than 7 yr, Less than 8 yrs	40	190,296	222,012
Greater than 8 yr, Less than 9 yrs	20	199,811	233,113

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	113,600	130,640
Greater than 1 yr, Less than 2 yrs	40	119,280	137,172
Greater than 2 yr, Less than 3 yrs	60	125,244	144,031
Greater than 3 yr, Less than 4 yrs	80	131,506	151,232
Greater than 4 yr, Less than 5 yrs	100	138,082	158,794
Greater than 5 yr, Less than 6 yrs	80	144,986	166,733
Greater than 6 yr, Less than 7 yrs	60	152,235	175,070
Greater than 7 yr, Less than 8 yrs	40	159,847	183,824
Greater than 8 yr, Less than 9 yrs	20	167,839	193,015

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	136,320	159,040
Greater than 1 yr, Less than 2 yrs	40	143,136	166,992
Greater than 2 yr, Less than 3 yrs	60	150,293	175,342
Greater than 3 yr, Less than 4 yrs	80	157,807	184,109
Greater than 4 yr, Less than 5 yrs	100	165,698	193,314
Greater than 5 yr, Less than 6 yrs	80	173,983	202,980
Greater than 6 yr, Less than 7 yrs	60	182,682	213,129
Greater than 7 yr, Less than 8 yrs	40	191,816	223,785
Greater than 8 yr, Less than 9 yrs	20	201,407	234,975

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

New Haven County: Bethany, Branford, Cheshire, East Haven, Guilford, Hamden, Madison, **Meriden***, Middlebury, Naugatuck, **New Haven***, North Brandford, North Haven, Orange, Prospect, Southbury, Wallingford, West Haven, 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	112,600	129,490
Greater than 1 yr, Less than 2 yrs	40	118,230	135,965
Greater than 2 yr, Less than 3 yrs	60	124,142	142,763
Greater than 3 yr, Less than 4 yrs	80	130,349	149,901
Greater than 4 yr, Less than 5 yrs	100	136,866	157,396
Greater than 5 yr, Less than 6 yrs	80	143,709	165,266
Greater than 6 yr, Less than 7 yrs	60	150,895	173,529
Greater than 7 yr, Less than 8 yrs	40	158,440	182,205
Greater than 8 yr, Less than 9 yrs	20	166,361	191,316

New Haven County - Targeted Areas: 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	135,120	157,640
Greater than 1 yr, Less than 2 yrs	40	141,876	165,522
Greater than 2 yr, Less than 3 yrs	60	148,970	173,798
Greater than 3 yr, Less than 4 yrs	80	156,418	182,488
Greater than 4 yr, Less than 5 yrs	100	164,239	191,612
Greater than 5 yr, Less than 6 yrs	80	172,451	201,193
Greater than 6 yr, Less than 7 yrs	60	181,074	211,253
Greater than 7 yr, Less than 8 yrs	40	190,127	221,815
Greater than 8 yr, Less than 9 yrs	20	199,634	232,906

New London County: Bozrah, East Lyme, Franklin, Griswold, **Groton***, Ledyard, Lisbon, Lyme, Montville, 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	112,600	129,490
Greater than 1 yr, Less than 2 yrs	40	118,230	135,965
Greater than 2 yr, Less than 3 yrs	60	124,142	142,763
Greater than 3 yr, Less than 4 yrs	80	130,349	149,901
Greater than 4 yr, Less than 5 yrs	100	136,866	157,396
Greater than 5 yr, Less than 6 yrs	80	143,709	165,266
Greater than 6 yr, Less than 7 yrs	60	150,895	173,529
Greater than 7 yr, Less than 8 yrs	40	158,440	182,205
Greater than 8 yr, Less than 9 yrs	20	166,361	191,316

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

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	128,500	147,775
Greater than 1 yr, Less than 2 yrs	40	134,925	155,164
Greater than 2 yr, Less than 3 yrs	60	141,671	162,922
Greater than 3 yr, Less than 4 yrs	80	148,755	171,068
Greater than 4 yr, Less than 5 yrs	100	156,193	179,621
Greater than 5 yr, Less than 6 yrs	80	164,002	188,603
Greater than 6 yr, Less than 7 yrs	60	172,202	198,033
Greater than 7 yr, Less than 8 yrs	40	180,812	207,934
Greater than 8 yr, Less than 9 yrs	20	189,853	218,331

New London County - Targeted Areas: 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	135,120	157,640
Greater than 1 yr, Less than 2 yrs	40	141,876	165,522
Greater than 2 yr, Less than 3 yrs	60	148,970	173,798
Greater than 3 yr, Less than 4 yrs	80	156,418	182,488
Greater than 4 yr, Less than 5 yrs	100	164,239	191,612
Greater than 5 yr, Less than 6 yrs	80	172,451	201,193
Greater than 6 yr, Less than 7 yrs	60	181,074	211,253
Greater than 7 yr, Less than 8 yrs	40	190,127	221,815
Greater than 8 yr, Less than 9 yrs	20	199,634	232,906

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	112,700	129,605
Greater than 1 yr, Less than 2 yrs	40	118,335	136,085
Greater than 2 yr, Less than 3 yrs	60	124,252	142,890
Greater than 3 yr, Less than 4 yrs	80	130,464	150,034
Greater than 4 yr, Less than 5 yrs	100	136,988	157,536
Greater than 5 yr, Less than 6 yrs	80	143,837	165,412
Greater than 6 yr, Less than 7 yrs	60	151,029	173,683
Greater than 7 yr, Less than 8 yrs	40	158,580	182,367
Greater than 8 yr, Less than 9 yrs	20	166,509	191,486

FEDERAL RECAPTURE TAX

THRESHOLD INCOME LIMITS

(Effective 5/27/2022)

<u>Tolland County - Targeted Area :</u> 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	135,240	157,780
Greater than 1 yr, Less than 2 yrs	40	142,002	165,669
Greater than 2 yr, Less than 3 yrs	60	149,102	173,952
Greater than 3 yr, Less than 4 yrs	80	156,557	182,650
Greater than 4 yr, Less than 5 yrs	100	164,385	191,783
Greater than 5 yr, Less than 6 yrs	80	172,604	201,372
Greater than 6 yr, Less than 7 yrs	60	181,235	211,440
Greater than 7 yr, Less than 8 yrs	40	190,296	222,012
Greater than 8 yr, Less than 9 yrs	20	199,811	233,113
<u>Windham County:</u> 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	112,600	129,490
Greater than 1 yr, Less than 2 yrs	40	118,230	135,965
Greater than 2 yr, Less than 3 yrs	60	124,142	142,763
Greater than 3 yr, Less than 4 yrs	80	130,349	149,901
Greater than 4 yr, Less than 5 yrs	100	136,866	157,396
Greater than 5 yr, Less than 6 yrs	80	143,709	165,266
Greater than 6 yr, Less than 7 yrs	60	150,895	173,529
Greater than 7 yr, Less than 8 yrs	40	158,440	182,205
Greater than 8 yr, Less than 9 yrs	20	166,361	191,316
<u>Windham County - Targeted Area :</u> 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	135,120	157,640
Greater than 1 yr, Less than 2 yrs	40	141,876	165,522
Greater than 2 yr, Less than 3 yrs	60	148,970	173,798
Greater than 3 yr, Less than 4 yrs	80	156,418	182,488
Greater than 4 yr, Less than 5 yrs	100	164,239	191,612
Greater than 5 yr, Less than 6 yrs	80	172,451	201,193
Greater than 6 yr, Less than 7 yrs	60	181,074	211,253
Greater than 7 yr, Less than 8 yrs	40	190,127	221,815
Greater than 8 yr, Less than 9 yrs	20	199,634	232,906