



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 1-25-23**

*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 1-25-23. . . . .**

*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 6-19-23 . . . . .**

*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](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: \_\_\_\_\_

## 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: \_\_\_\_\_

**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	(Column 2) <u>Adjusted Qualifying Income</u>	
	Period Percentage	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	<i>Lender provides borrower(s) a system generated, completed version of this form, with applicable income figures in effect at time of loan closing.</i>	
Greater than 3 yrs, Less than 4 yrs	80		
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		

*Note: CHFA Recapture Tax Threshold Income Limits for current year are available at CHFA.org / Lender Forms section (Form 048-0405)*

**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  
Finance Dept.- 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 signed IRS Form 4506-T must be completed by each current owner under the mortgage loan documents and sent to the IRS requesting transcripts for the year in which the home was sold;*
- The original transcripts and Form 8828, received from the IRS (*from Form 4506-T request*);
- A copy of signed TRID – Closing Disclosure (*formerly HUD-1 Settlement Statement*) issued in connection with the disposition of our home; and
- 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:

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



# FEDERAL RECAPTURE TAX



## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )

<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 ( 2 or Less)	Household Size (3 or More)
Less than 1 year	20	129,630	149,075
Greater than 1 yr, Less than 2 yrs	40	136,112	156,529
Greater than 2 yr, Less than 3 yrs	60	142,917	164,355
Greater than 3 yr, Less than 4 yrs	80	150,063	172,573
Greater than 4 yr, Less than 5 yrs	100	157,566	181,202
Greater than 5 yr, Less than 6 yrs	80	165,444	190,262
Greater than 6 yr, Less than 7 yrs	60	173,717	199,775
Greater than 7 yr, Less than 8 yrs	40	182,402	209,763
Greater than 8 yr, Less than 9 yrs	20	191,523	220,252
<b>Fairfield County - Targeted Area:</b> 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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178
<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 ( 2 or Less)	Household Size (3 or More)
Less than 1 year	20	137,200	157,780
Greater than 1 yr, Less than 2 yrs	40	144,060	165,669
Greater than 2 yr, Less than 3 yrs	60	151,263	173,952
Greater than 3 yr, Less than 4 yrs	80	158,826	182,650
Greater than 4 yr, Less than 5 yrs	100	166,767	191,783
Greater than 5 yr, Less than 6 yrs	80	175,106	201,372
Greater than 6 yr, Less than 7 yrs	60	183,861	211,440
Greater than 7 yr, Less than 8 yrs	40	193,054	222,012
Greater than 8 yr, Less than 9 yrs	20	202,707	233,113

\* Municipalities that are in targeted areas.

# FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )



<b>Fairfield County - Targeted Area : Danbury*</b>			
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	164,640	192,080
Greater than 1 yr, Less than 2 yrs	40	172,872	201,684
Greater than 2 yr, Less than 3 yrs	60	181,516	211,768
Greater than 3 yr, Less than 4 yrs	80	190,591	222,357
Greater than 4 yr, Less than 5 yrs	100	200,121	233,474
Greater than 5 yr, Less than 6 yrs	80	210,127	245,148
Greater than 6 yr, Less than 7 yrs	60	220,633	257,406
Greater than 7 yr, Less than 8 yrs	40	231,665	270,276
Greater than 8 yr, Less than 9 yrs	20	243,248	283,790

  

<b>Fairfield County: Darien, Greenwich, New Canaan, Norwalk*, Stamford*, Weston, Westport, Wilton</b>			
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	171,300	196,995
Greater than 1 yr, Less than 2 yrs	40	179,865	206,845
Greater than 2 yr, Less than 3 yrs	60	188,858	217,187
Greater than 3 yr, Less than 4 yrs	80	198,301	228,046
Greater than 4 yr, Less than 5 yrs	100	208,216	239,449
Greater than 5 yr, Less than 6 yrs	80	218,627	251,421
Greater than 6 yr, Less than 7 yrs	60	229,558	263,992
Greater than 7 yr, Less than 8 yrs	40	241,036	277,192
Greater than 8 yr, Less than 9 yrs	20	253,088	291,051

  

<b>Fairfield County - Targeted Areas : Norwalk*, Stamford*</b>			
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	205,560	239,820
Greater than 1 yr, Less than 2 yrs	40	215,838	251,811
Greater than 2 yr, Less than 3 yrs	60	226,630	264,402
Greater than 3 yr, Less than 4 yrs	80	237,961	277,622
Greater than 4 yr, Less than 5 yrs	100	249,859	291,503
Greater than 5 yr, Less than 6 yrs	80	262,352	306,078
Greater than 6 yr, Less than 7 yrs	60	275,470	321,382
Greater than 7 yr, Less than 8 yrs	40	289,244	337,451
Greater than 8 yr, Less than 9 yrs	20	303,706	354,323

\* Municipalities that are in targeted areas.

# FEDERAL RECAPTURE TAX



## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )

**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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039

**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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178

**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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039

\* Municipalities that are in targeted areas.

# FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )

<b>Litchfield County - Targeted Area : Torrington*</b>			
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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178
<b>Middlesex County: Chester, Cromwell, Durham, East Haddam, East Hampton, Haddam, Middlefield, Middletown*, Portland</b>			
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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039
<b>Middlesex County - Targeted Area : Middletown*</b>			
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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178

\* Municipalities that are in targeted areas.

# FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )



**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	132,200	152,030
Greater than 1 yr, Less than 2 yrs	40	138,810	159,632
Greater than 2 yr, Less than 3 yrs	60	145,751	167,613
Greater than 3 yr, Less than 4 yrs	80	153,038	175,994
Greater than 4 yr, Less than 5 yrs	100	160,690	184,793
Greater than 5 yr, Less than 6 yrs	80	168,724	194,033
Greater than 6 yr, Less than 7 yrs	60	177,161	203,735
Greater than 7 yr, Less than 8 yrs	40	186,019	213,921
Greater than 8 yr, Less than 9 yrs	20	195,320	224,618

**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	120,300	138,345
Greater than 1 yr, Less than 2 yrs	40	126,315	145,262
Greater than 2 yr, Less than 3 yrs	60	132,631	152,525
Greater than 3 yr, Less than 4 yrs	80	139,262	160,152
Greater than 4 yr, Less than 5 yrs	100	146,225	168,159
Greater than 5 yr, Less than 6 yrs	80	153,537	176,567
Greater than 6 yr, Less than 7 yrs	60	161,214	185,396
Greater than 7 yr, Less than 8 yrs	40	169,274	194,665
Greater than 8 yr, Less than 9 yrs	20	177,738	204,399

**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	144,360	168,420
Greater than 1 yr, Less than 2 yrs	40	151,578	176,841
Greater than 2 yr, Less than 3 yrs	60	159,157	185,683
Greater than 3 yr, Less than 4 yrs	80	167,115	194,967
Greater than 4 yr, Less than 5 yrs	100	175,470	204,716
Greater than 5 yr, Less than 6 yrs	80	184,244	214,951
Greater than 6 yr, Less than 7 yrs	60	193,456	225,699
Greater than 7 yr, Less than 8 yrs	40	203,129	236,984
Greater than 8 yr, Less than 9 yrs	20	213,285	248,833

\* Municipalities that are in targeted areas.

# FEDERAL RECAPTURE TAX



## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )

**New Haven County:** Bethany, Branford, Cheshire, East Haven, Guilford, Hamden, Madison, **Meriden\***, Middlebury, Naugatuck, **New Haven\***, North Branford, 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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039

**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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178

**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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039

\* Municipalities that are in targeted areas.

# FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )



**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	136,100	156,515
Greater than 1 yr, Less than 2 yrs	40	142,905	164,341
Greater than 2 yr, Less than 3 yrs	60	150,050	172,558
Greater than 3 yr, Less than 4 yrs	80	157,553	181,186
Greater than 4 yr, Less than 5 yrs	100	165,430	190,245
Greater than 5 yr, Less than 6 yrs	80	173,702	199,757
Greater than 6 yr, Less than 7 yrs	60	182,387	209,745
Greater than 7 yr, Less than 8 yrs	40	191,506	220,232
Greater than 8 yr, Less than 9 yrs	20	201,082	231,244

**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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178

**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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039

\* Municipalities that are in targeted areas.



# FEDERAL RECAPTURE TAX

## THRESHOLD INCOME LIMITS

( Effective 6/19/2023 )



<b>Tolland County - Targeted Area : Mansfield*</b>			
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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178

  

<b>Windham County: Ashford, Brooklyn, Canterbury, Chaplin, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, Woodstock</b>			
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	119,500	137,425
Greater than 1 yr, Less than 2 yrs	40	125,475	144,296
Greater than 2 yr, Less than 3 yrs	60	131,749	151,511
Greater than 3 yr, Less than 4 yrs	80	138,336	159,087
Greater than 4 yr, Less than 5 yrs	100	145,253	167,041
Greater than 5 yr, Less than 6 yrs	80	152,516	175,393
Greater than 6 yr, Less than 7 yrs	60	160,141	184,163
Greater than 7 yr, Less than 8 yrs	40	168,149	193,371
Greater than 8 yr, Less than 9 yrs	20	176,556	203,039

  

<b>Windham County - Targeted Area : Windham*</b>			
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	143,400	167,300
Greater than 1 yr, Less than 2 yrs	40	150,570	175,665
Greater than 2 yr, Less than 3 yrs	60	158,099	184,448
Greater than 3 yr, Less than 4 yrs	80	166,003	193,671
Greater than 4 yr, Less than 5 yrs	100	174,304	203,354
Greater than 5 yr, Less than 6 yrs	80	183,019	213,522
Greater than 6 yr, Less than 7 yrs	60	192,170	224,198
Greater than 7 yr, Less than 8 yrs	40	201,778	235,408
Greater than 8 yr, Less than 9 yrs	20	211,867	247,178

\* Municipalities that are in targeted areas.