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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**Mortgage Interest Credit**

(For Holders of Qualified Mortgage Credit Certificates Issued by State or Local Governmental Units or Agencies)

**2006**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1040 or 1040NR.** ▶ **See instructions on back.**

Attachment  
Sequence No. **53**

Name(s) shown on your tax return	Your social security number
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Enter the address of your main home to which the qualified mortgage certificate relates if it is different from the address shown on your tax return.

Name of Issuer of Mortgage Credit Certificate	Mortgage Credit Certificate Number	Issue Date
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**Part I Current Year Mortgage Interest Credit**

1 Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid . . .	1		
2 Enter the certificate credit rate shown on your <b>mortgage credit certificate</b> . <b>Do not</b> enter the interest rate on your home mortgage . . . . .	2		%
3 If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter. <b>You must reduce your deduction for home mortgage interest on Schedule A (Form 1040) by the amount on line 3.</b>	3		
4 Enter any 2003 credit carryforward from line 18 of your 2005 Form 8396 . . . . .	4		
5 Enter any 2004 credit carryforward from line 16 of your 2005 Form 8396 . . . . .	5		
6 Enter any 2005 credit carryforward from line 19 of your 2005 Form 8396 . . . . .	6		
7 Add lines 3 through 6 . . . . .	7		
8 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43 . . . . .	8		
9 <b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 47 through 51 and line 53 plus any credit from Form 5695, line 12 <b>1040NR filers:</b> Enter the total of the amounts from Form 1040NR, lines 44 through 46 and line 48 plus any credit from Form 5695, line 12	9		
10 Subtract line 9 from line 8. If zero or less, enter -0- here and on line 11 and go to Part II . . .	10		
11 <b>Current year mortgage interest credit.</b> Enter the <b>smaller</b> of line 7 or line 10. Also include this amount in the total on Form 1040, line 54, or Form 1040NR, line 49, and check box <b>a</b> on that line . . . . .	11		

**Part II Mortgage Interest Credit Carryforward to 2007.** (Complete **only** if line 11 is less than line 7.)

12 Add lines 3 and 4 . . . . .	12		
13 Enter the amount from line 7 . . . . .	13		
14 Enter the <b>larger</b> of line 11 or line 12 . . . . .	14		
15 Subtract line 14 from line 13 . . . . .	15		
16 <b>2005 credit carryforward to 2007.</b> Enter the <b>smaller</b> of line 6 or line 15 . . . . .	16		
17 Subtract line 16 from line 15 . . . . .	17		
18 <b>2004 credit carryforward to 2007.</b> Enter the <b>smaller</b> of line 5 or line 17 . . . . .	18		
19 <b>2006 credit carryforward to 2007.</b> Subtract line 11 from line 3. If zero or less, enter -0- . . .	19		