

***Caution: DRAFT FORM***

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site ([www.irs.gov](http://www.irs.gov)).

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.

## Recapture of Federal Mortgage Subsidy

OMB No. 1545-0074

▶ **Attach to Form 1040.** ▶ **See separate instructions.**

Attachment  
 Sequence No. **64**

Name(s)	Social security number (as shown on page 1 of your tax return)
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**Part I Description of Home Subject to Federally Subsidized Debt**

**1** Address of property (number and street, city or town, state, and ZIP code) \_\_\_\_\_

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**2** Check the box that describes the type of federal subsidy you had on the loan for your home.

**a**  Mortgage loan from the proceeds of a tax-exempt bond

**b**  Mortgage credit certificate

**Note.** If neither box applies, you are not subject to recapture tax on the sale or other disposition of your home. **Do not** complete this form.

**3** Name of the bond or certificate issuer \_\_\_\_\_

State                      Political subdivision (city, county, etc.)                      Agency, if any

**4** Name and address of original lending institution \_\_\_\_\_

**5** Date of closing of the original loan . . . . . \_\_\_\_\_

Month                      Day                      Year

**Note.** If the date of closing of the loan was before January 1, 1991, recapture tax does not apply. **Do not** complete this form. If you (1) checked the box on line 2b (mortgage credit certificate), (2) refinanced your home, and (3) received a reissued mortgage credit certificate, see **Refinancing your home** on page 1 of the instructions.

**6** Date of sale or other disposition of your interest in the home . . . . . \_\_\_\_\_

Month                      Day                      Year

**7** Number of years and full months between original closing date (line 5) and date of sale or disposition (line 6): \_\_\_\_\_

Years      Full months

**8** Date of full repayment of the original loan including a refinancing other than one for which a replacement mortgage credit certificate was issued (see instructions) . . . . . \_\_\_\_\_

Month                      Day                      Year

**Part II Computation of Recapture Tax**

<b>9</b> Sales price of your interest in the home sold or disposed of (see instructions) . . . . .	<b>9</b>	
<b>10</b> Expenses of sale. Include sales commissions, advertising, legal fees, etc. . . . .	<b>10</b>	
<b>11</b> Amount realized. Subtract line 10 from line 9 . . . . .	<b>11</b>	
<b>12</b> Adjusted basis of your interest in the home sold or disposed of (see instructions) . . . . .	<b>12</b>	
<b>13</b> Gain or (loss) from sale or disposition. Subtract line 12 from line 11. If a loss, <b>stop</b> here and attach this form to your Form 1040. You <b>do not</b> owe recapture tax . . . . .	<b>13</b>	
<b>14</b> Multiply line 13 by 50% (.50) . . . . .	<b>14</b>	
<b>15</b> Modified adjusted gross income (see instructions) . . . . .	<b>15</b>	
<b>16</b> Adjusted qualifying income (see instructions) . . . . .	<b>16</b>	
<b>17</b> Subtract line 16 from line 15. If zero or less, <b>stop</b> here and attach this form to your Form 1040. You <b>do not</b> owe recapture tax . . . . .	<b>17</b>	
<b>18</b> Income percentage. If the amount on line 17 is \$5,000 or more, enter "100." Otherwise, divide the amount on line 17 by \$5,000 and enter the result as a percentage. Round to the nearest whole percentage . . . . .	<b>18</b>	%
<b>19</b> Federally subsidized amount (see instructions) . . . . .	<b>19</b>	
<b>20</b> Holding period percentage (see instructions) . . . . .	<b>20</b>	%
<b>21</b> Multiply line 19 by the percentage on line 20 . . . . .	<b>21</b>	
<b>22</b> Recapture amount. Multiply line 21 by the percentage on line 18 . . . . .	<b>22</b>	
<b>23</b> Tax. Enter the <b>smaller</b> of line 14 or line 22. Also, include this amount on the line for total tax on Form 1040. For details, see the Instructions for Form 1040 . . . . .	<b>23</b>	