

Mortgage Interest Credit

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

1992

Attachment Sequence No. **53**

Department of the Treasury
Internal Revenue Service

▶ See instructions on back.

▶ Attach to Form 1040.

Name(s) shown on Form 1040

Your social security number

Enter the address of your main home on which the credit is claimed if it is different than the address shown on Form 1040.

Part I Mortgage Interest Credit

1	Interest paid on the certified indebtedness amount. If you and at least one other person held an interest in the home, enter only your share of the interest paid	1		
2	Enter the certificate credit rate shown on your mortgage credit certificate	2		%
3	Multiply line 1 by the percentage on line 2. If line 2 is more than 20%, see instructions for amount to enter. You must reduce your mortgage interest deduction on Schedule A (Form 1040) by this amount	3		
4	Enter any credit carryforward from 1989 (line 20 of your 1991 Form 8396)	4		
5	Enter any credit carryforward from 1990 (line 18 of your 1991 Form 8396)	5		
6	Enter any credit carryforward from 1991 (line 21 of your 1991 Form 8396)	6		
7	Add lines 3 through 6.	7		
8	Enter the amount from Form 1040, line 40.	8		
9	Add the amounts from Form 1040, lines 41 and 42, and enter the total	9		
10	Subtract line 9 from line 8. If zero or less, enter -0-.	10		
11	Mortgage Interest Credit. Enter the smaller of line 7 or line 10. See the instructions for the amount of credit you can claim, and the amount to enter on Form 1040, line 44. Be sure to check box b on that line.	11		

Part II Mortgage Interest Credit Carryforward to 1993. (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 larger of line 11 or line 12.	14		
15	Subtract line 14 from line 13	15		
16	1991 credit carryforward to 1993. Enter the smaller of line 6 or line 15	16		
17	Subtract line 16 from line 15	17		
18	1990 credit carryforward to 1993. Enter the smaller of line 5 or line 17	18		
19	1992 credit carryforward to 1993. Subtract line 11 from line 3. If zero or less, enter -0-	19		

General Instructions

Paperwork Reduction Act Notice.—

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping 46 min.

Learning about the law or the form 5 min.

Preparing the form 39 min.

Copying, assembling, and sending the form to the IRS 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for Form 1040.

Purpose of Form.—Form 8396 is used by an individual who holds a qualified mortgage credit certificate issued by a state or local governmental unit or agency to figure the mortgage interest credit allowed for the current year and any carryforward to the following year.

Who May Claim the Credit.—You may claim the credit **only** if you were issued a qualified mortgage credit certificate by a state or local governmental unit or agency under a qualified mortgage credit certificate program. Certificates issued by Federal Housing Administration, Dept. of Veterans Affairs, and Farmers Home Administration, and Homestead Staff Exemption Certificates **do not qualify** for the credit. The home to which the certificate relates must be your main home and must also be located in the jurisdiction of the governmental unit that issued the certificate.

Related Persons.—If the interest on the mortgage for which the credit certificate was issued was paid to a related person, you cannot claim the credit.

Recapture of Credit.—If you purchase a home using a mortgage credit certificate, and sell that home within 9 years, you may have to recapture (repay) a portion of the credit. For more details, get **Pub. 523**, Selling Your Home, and **Form 8828**, Recapture of Federal Mortgage Subsidy.

Specific Instructions

Part I

Line 1.—Enter the interest you paid during the year on the loan amount shown on your mortgage credit certificate. In most cases, this will be the amount shown on **Form 1098**, Mortgage Interest Statement, in box 1, or on a similar statement that you received from your mortgage holder. If the loan amount (certified indebtedness amount) shown on your mortgage credit certificate is less than your total mortgage loan, you must make an allocation of the interest to determine the part that relates to the amount of the loan covered by the mortgage credit certificate.

Line 3.—If the certificate credit rate shown on line 2 is more than 20%, do not enter more than \$2,000 on line 3. If you and at least one other person (other than your spouse if you file a joint return) held an interest in the home, the \$2,000 limit must be allocated to each owner in proportion to the interest he or she held. See **Pub. 530**, Tax Information for First-Time Homeowners, for an example of how to make the allocation.

Reduction of Home Mortgage Interest on Schedule A.—You must subtract the amount shown on line 3 from the total deductible interest you paid on your home mortgage even if part of the amount on line 3 is carried forward to 1993.

Line 11.—You may need to complete **Form 6251**, Alternative Minimum Tax—Individuals, because the amount from line 18 of that form may limit the amount of your credit. Use the worksheet below to see if you need to complete Form 6251 and to figure the amount of credit to enter on Form 1040.

Worksheet (keep a copy for your records)

1. Enter the amount from Form 8396, line 11 _____
2. Enter the amount from Form 1040, line 23 plus any net operating loss deduction and tax-exempt interest from private activity bonds issued after August 7, 1986 _____

Note: If line 2 is more than \$150,000 (\$112,500 if single or head of household; \$75,000 if married filing separately) **OR** you file Schedule C, C-EZ, D, E, or F, of Form 1040, complete Form 6251 through line 18. Then, complete only lines 5, 8, 9, and 10 below. Otherwise, go to line 3.

3. Enter \$40,000 (\$30,000 if single or head of household; \$20,000 if married filing separately) _____
4. Subtract line 3 from line 2. If zero or less, **stop here**; enter on Form 1040, line 44, the amount from line 1 above. Otherwise, go to line 5 _____
5. Enter the amount from Form 8396, line 10 _____
6. Multiply line 4 by 24% (.24) _____
7. Subtract line 6 from line 5. If zero or less, enter -0- _____

Next: If line 7 is equal to or more than line 1 above, **stop here**; enter the amount from line 1 on Form 1040, line 44. Otherwise, complete Form 6251 through line 18, and lines 8, 9, and 10 below.

8. Enter the amount from Form 6251, line 18 _____
9. Subtract line 8 from line 5. If zero or less, enter -0- _____
10. Enter the smaller of line 1 or line 9 here and on Form 1040, line 44. If line 9 is the smaller amount, write "AMT" in the left margin next to line 44 and replace the amount on Form 8396, line 11, with the line 10 amount. Also check the box **b** on line 44 _____

Part II

If the amount on line 11 is less than the amount on line 7, you may have an unused credit to carry forward to the next 3 tax years or until used, whichever comes first. Because the unused credit can only be carried forward for 3 years, you will have to keep track of each year's unused credit. The current year credit is used first and then the prior year credits, beginning with the earliest prior year.

If you have any unused credit to carry forward to 1993, be sure you keep a copy of the form. You will need this information to figure your credit in 1993.

Note: If you are subject to the \$2,000 credit limitation because your certificate credit rate is more than 20%, no amount over the \$2,000 (or your prorated share of the \$2,000 if you must allocate the credit) may be carried forward for use in a subsequent year.