

# NYC-RPT

## Form and Instructions

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**Use this application only if filing a Property Transfer  
Tax Return for Staten Island. All other boroughs  
must file via ACRIS at [nyc.gov/finance](http://nyc.gov/finance)**

**SCHEDULE R - REAL ESTATE INVESTMENT TRUST TRANSFERS**

Real Estate Investment Trust Transfers ("REIT Transfers") are taxed at one-half of the otherwise applicable rate. (NYC Administrative Code Section 11-2102(e)) **Attach a copy of the prospectus to Form NYC-RPT and write "REIT Transfer" on the top of the first page of Form NYC-RPT.** If you are filing Form NYC-RPT reporting a REIT Transfer that qualifies as a mere change in identity or form of ownership or organization, you must also complete Schedule M.

**General Information****REIT TRANSFER**

A REIT Transfer is any deed or other instrument or transaction conveying or transferring real property or an economic interest in real property to a Real Estate Investment Trust as defined in Section 856 of the Internal Revenue Code (a "REIT"), or to a partnership or corporation in which a REIT owns a controlling interest immediately following the transaction and any issuance or transfer of an interest in a REIT or in such a partnership or corporation in connection with such a transaction, provided either:

1. the transaction occurs on or after June 9, 1994 in connection with the initial formation of the REIT and conditions 1(a), 2 and 3 below are met, or
2. the transaction occurs on or after July 13, 1996 and before September 1, 2002 (or after August 30, 2002 if the transfer is made pursuant to a binding written contract entered into before September 1, 2002, with a REIT or a partnership or corporation in which the REIT owns a controlling interest, and the date of execution of that contract is confirmed by independent evidence satisfactory to the Department), and conditions 1 (b) and 2 below are met.

For a definition of "controlling interest", see General Information for Form NYC-RPT, "Imposition of Tax."

**CONDITIONS**

- 1a. The value of the ownership interests in the REIT or in the partnership or corporation controlled by the REIT received by the grantor as consideration for the transaction must be equal to 40 percent or more of the excess of the value of the total consideration received over the amount of mortgages and other liens and encumbrances on the property or on the grantor's economic interest in the property, other than mortgages and other liens and encumbrances created in contemplation of the formation of the REIT.
- b. This condition is the same as Condition 1(a), except that the value of the ownership interests received as consideration must be equal to at least 50 percent rather than 40 percent of

the excess of the total consideration received over mortgages and other liens and encumbrances on the property or economic interest transferred excluding mortgages and other liens or encumbrances created in contemplation of the transaction reported on this Schedule R.

Use the worksheet on the following page of this Schedule to make this determination.

2. The interests in the REIT or in the partnership or corporation controlled by the REIT may not be transferred by the grantor or owners of the grantor within two years following the date of the transaction other than transfers within the two-year period resulting from the death of an individual grantor or owner of a grantor.
3. At least 75 percent of the cash proceeds of the initial public offering of REIT shares must be used for the following:
  - a. payments on loans secured by an interest in the real property or an economic interest therein owned directly or indirectly by the REIT, or payments into reserves therefor;
  - b. capital improvements to real property owned directly or indirectly by the REIT, or payments into reserves therefor;
  - c. brokerage fees and commissions, professional fees and payments to or on behalf of a tenant as an inducement to enter into a lease or sublease of real property owned directly or indirectly by the REIT, or payments into reserves therefor; or
  - d. payments to acquire real property or an economic interest therein other than an acquisition that would qualify as a REIT Transfer without regard to this condition 3.

**If condition 2 or 3, where applicable, ceases to be met after this Schedule R is filed, an amended Form NYC-RPT must be filed and any additional tax due must be paid.**

# Instructions for Form NYC-RPT



## Real Property Transfer Tax Return

### IMPORTANT

1. Always submit pages 1-4 of the return and Smoke Detector Requirement Affidavit . Attach Schedules A through I, Schedule L, M and Schedule R as required.
2. Where the consideration is \$400,000 or more, a copy of the Contract of Sale or closing statement must be attached to the return.
3. Please file your return at the correct office. See FILING OF RETURN on page 18.
4. A fee of one hundred dollars (\$100) must be paid upon the filing of the form NYC-RPT for those transactions for which the filing of a New York State Real Property Transfer Report (RP-5217NYC) is not required to be filed. Such transactions include, but are not limited to, transfers of co-ops, leaseholds and controlling economic interests.

### IMPOSITION OF TAX

The tax is imposed on conveyances of real property or interests therein, on certain grants, assignments or surrenders of leasehold interests, on transfers of controlling economic interests in real property and on all transfers of shares of stock in a cooperative housing corporation or an entity formed for the purpose of cooperative ownership of real property when the consideration as entered on Schedule 2, Computation of Tax, line 3 exceeds \$25,000.

An *economic interest* in real property means:

- the ownership of shares of stock in a corporation which owns or leases real property;
- the ownership of an interest or interests in a partnership, association, or other unincorporated entity which owns or leases real property; and
- the ownership of a beneficial interest or interests in a trust which owns or leases real property.

A *controlling interest* in the case of a *corporation* means:

- 50% or more of the total combined voting power of all classes of stock of the corporation; or
- 50% or more of the total fair market value of all classes of stock of the corporation.

A *controlling interest* in the case of a *partnership, association, trust or other unincorporated entity* means:

- 50% or more of the capital, profits or beneficial interest in the partnership, association, trust or other unincorporated entity.

### NAME AND ADDRESS BOX

Print or type the names, addresses, and social security or employer identification numbers of the grantor and grantee as they appear in your deed, lease, or other instrument that conveys the interest in real property. If the grantor or grantee is a single member LLC, enter the names and identification numbers (SSN and/or EIN) for both the LLC and the single member. If the conveyance is pursuant to a mortgage foreclosure or any other action governed by the Real Property Actions and Proceedings Law, the defaulting mortgagor or debtor is the grantor. If this transaction includes more than one grantor or grantee, complete Schedule 3 and provide the requested information for all such grantors or grantees that are not listed on page 1 of this form. For any grantor and grantee that is a partnership or a multiple member LLC, provide the requested information for each general partner or member (name and SSN/EIN) in a supporting document with a separate page for each partnership or LLC, including the name of the partnership or LLC. If the social security number or employer identification number is not provided for each grantor and grantee, the general partners of a partnership or members of an LLC which is either a grantor or grantee, or the single member of single member LLC, attach an affidavit attesting to the reasons that information is missing.

### PROPERTY LOCATION

Enter the location of the property that is transferred or the location of the property in which an economic interest is transferred. If the transfer involves more than one property, list the properties separately. Attach additional sheets if necessary.

### CONDITION OF TRANSFER - Check all boxes that apply

- g. Check here if the transfer was pursuant to a partial or complete liquidation of a corporation, partnership or other entity. See instructions for Schedule D.
- k. A gift of real property (or an interest therein) that is subject to indebtedness may be subject to tax because the indebtedness is deemed to be consideration for the transfer. However, see instructions for Schedule 2, line 2, transfers of interests in residential property on or after August 28, 1997.
- o. Nonprofit organizations should see instructions, pages 17-18 for information on exemption from Real Estate Tax and related charges.

v. Check this box if the conveyance involved the grant or assignment of a leasehold interest in real property located in a tax-free New York area to an approved business participating in the START-UP NY program. These transfers are exempt from the New York City Real Property Transfer Tax. See NYS Tax Law §39(g) and New York State Tax Form TP-584-SNY.

w. Check this box if the transfer of real property is a transfer to or from a Housing Development Fund Company, or an entity in which a Housing Development Fund Company owns a controlling interest under Section 11-2106(b)(9) of the Administrative Code of the City of New York.

### Type of Property

Check the type of property that is transferred or in which an interest is transferred.

### Type of Interest

For any transfer where you intend to record a deed or other document you should check the relevant box at the left and file your return pursuant to the instructions on page 18 of this booklet.

If you are not recording a deed or other document in connection with this transaction, check the box at the right and file your return with the New York City Department of Finance, Non-Recorded RPTT Return Processing, 66 John Street, 13th Floor, New York, NY 10038, pursuant to the instructions on page 18 of this booklet.

If this is a transfer of stock in a cooperative housing corporation, complete Schedule B. If this is a transfer of stock or of partnership interests or other controlling economic interest in real property, complete Schedule H.

### SCHEDULE 1

#### DETAILS OF CONSIDERATION

**Cooperatives.** In the case of a transfer of an individual residential cooperative unit (other than the original transfer of the unit by the cooperative corporation or cooperative plan sponsor) the consideration does not include any portion of the mortgage on the underlying real property. In the case of an original transfer of any cooperative unit, or of a subsequent transfer of a cooperative unit other than an individual residential unit, a proportionate share of any preexisting mortgage(s) on the underlying real property must be included in the consideration. An individual unit that is used for residential purposes by the occupant shall be presumed to be residential unless such residential use is *de minimis*.

**Liquidations.** In the case of a liquidation of a corporation, partnership, or other entity, if the fair market value of the property or interest therein

distributed exceeds the consideration received, such fair market value is the measure of the tax. Enter the amount from Schedule D, line 3 on Schedule 1, line 11.

**Marital Transfers.** In the case of a transfer pursuant to a separation agreement, marital settlement agreement or divorce decree, consideration will be presumed to be equal to the fair market value of the portion of the property or interest transferred unless you establish the consideration to be a different amount.

If the measure of consideration is fair market value, the fair market value amount should not be reduced by any mortgages on the property. The fair market value amount should be inserted on Line 10 of Schedule 1.

If the measure of consideration is a value for the property that is specified in an agreement or decree, this value should reflect the portion of any mortgage the grantee may have assumed and/or taken subject to rather than reflect only the equity transferred. The specified value should be inserted on Line 10 of Schedule 1. If the specified value does not include mortgages, the mortgage amounts must be added as appropriate on line(s) 2, 3, 4, or 6 of Schedule 1.

In either situation, if the real property is encumbered by any mortgages that qualify as excludible liens, you may deduct the percentage of any excludible liens equal to the percentage of the interest in the real property that is transferred on Line 2 of Schedule 2.

In addition, you must complete Schedule I.

**Transfers to Business Entities.** In the case of a transfer of property or interest therein to a business entity in exchange for an interest in the entity, the value of such interest in the entity is equal to the fair market value of the property or interest therein less the amount of mortgages, liens or encumbrances thereon. (See Schedules F and M)

**SCHEDULE 2  
COMPUTATION OF TAX**

**PAYMENT -**

If the real property is located in Staten Island (Richmond County), make check or money order payable to: **Richmond County Clerk.**

For real property not located in Staten Island, make check or money order payable to: **NYC Department of Finance.**

**LINE 1 - Total Consideration**

Enter the amount from line 11, Schedule 1, page 2.

**LINE 2 - Excludible liens- Transfers involving certain residential property or interest therein**

With certain exceptions, the amount of mortgages, liens or encumbrances is excluded from

consideration for the transfer on or after August 28, 1997 of a one-, two-, or three-family house, an individual residential cooperative apartment or individual residential condominium unit, or economic interest in such property if the mortgage, lien or encumbrance existed before the date of the transfer and remains on the property or interest after the date of the transfer. This provision does not apply to any mortgage, lien or encumbrance placed on the property or interest in connection with, or in anticipation of, the transfer, or by reason of deferred payments of the purchase price. This exclusion also does not apply to a transfer to a mortgagee, lienor or encumbrancer of the property or interest, or to a qualifying real estate investment trust transfer. Recently adopted rules govern the application of the exclusion. Under the rules, an existing mortgage will be excluded in all transfers pursuant to gifts or divorce. In any other transfer, an examination time period beginning six months prior to, and ending three months after, the transfer is established. Mortgages placed on the property or discharged outside that time period will be excluded unless there is documentary evidence that the mortgage was placed or discharged in connection with the transfer. Mortgages placed or discharged within the examination period will be excluded unless the facts and circumstances indicate that the mortgage was placed or discharged in connection with the transfer. Mortgages that are modified will be excluded in all cases except where the modifications occur within the examination period AND result in a change in the identity of the lender PLUS a change of at least ten percent in either the interest rate or term of the mortgage loan. See Title 19 of the Rules of the City of NY §23-03(k) for more information.

Enter on line 2 of Schedule 2 the amount of any mortgage, lien or encumbrance included in the amount entered on line 3 of Schedule 1 that is eligible for the exclusion described above.

NOTE: *You may not enter any amount online 2 if you have not checked box a, b or c under "Type of Property" on page 2 of Form NYC-RPT or you HAVE checked box d, f, q or t under "Condition of Transfer".*

**LINE 4 - Tax Rate**

Insert the appropriate tax rate based on the consideration on line 3. Note: the tax rate is determined after certain liens are excluded but before taking into account the mere change of form exemption. Tax rates depend on the kind of real property that is transferred or is held by the entity whose stock or partnership interest is the subject of this transfer.

Effective for transfers on or after August 1, 1989, the tax rates are as follows:

**Certain Residential Property and Interests** 1% of the consideration where the consideration is \$500,000 or less or 1.425% of the consideration where the consideration is greater than \$500,000 in

the following instances:

- conveyances where the real property transferred, or the real property in which the economic interest is transferred, is a one-, two-, or three family house, an individual cooperative apartment, an individual residential condominium unit, or an individual dwelling unit in a dwelling which is to be occupied as the residence or home of four or more families living independently of each other; and
- grants, assignments or surrenders of leasehold interests in a one-, two-, or three-family house, or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other.

An individual condominium that is used for residential purposes by the occupant shall be presumed to be residential, unless such residential use is *de minimis*. (For illustrations, see RCNY Section 23-03(b)(9) and (10).)

**Other Transfers**

- For all transfers involving property or interests in property other than the residential property specified above, the rate is 1.425% of the consideration where the consideration is \$500,000 or less or 2.625% of the consideration where the consideration is greater than \$500,000.

**LINE 7**

If you qualify for the "Mere Change In Form Exemption", enter the percentage from Schedule M, line 2, Column f. If you do not qualify for the Mere Change In Form Exemption, enter 100%.

**LINE 9 - Tax**

Attach additional schedules 1 and 2 if varying tax rates apply.

**LINE 10 - Credit**

a. **Liquidations** - If a purchaser acquires a controlling economic interest in a corporation, partnership, association, trust or other entity owning real property in a transaction subject to the Real Property Transfer Tax and within 24 months of such acquisition the entity owning the real property or interest therein is liquidated and the real property or interest therein is conveyed to the purchaser of the controlling economic interest, a credit is available against the transfer tax due on the liquidation in the amount of the transfer tax paid with respect to the original acquisition of the controlling economic interest. In no event shall this credit be greater than the tax payable upon the conveyance in liquidation.

b. **Original Co-op Transfer** - In the case of the original transfer of cooperative housing corporation stock by a cooperative corporation or cooperative plan sponsor in connection with

the grant or transfer of a proprietary leasehold, a credit is allowed for a proportionate part of the amount of any tax paid upon the conveyance to the cooperative housing corporation of the land and building or buildings comprising the cooperative dwelling or dwellings. This credit applies only for original transfers of stock by the cooperative housing corporation or cooperative plan sponsor. It does not apply to taxable resales of cooperative housing corporation stock.

No credit is allowed for any tax paid more than 24 months prior to the date on which occurs the first in a series of transfers of shares of stock in the initial offering of cooperative housing corporation shares.

Attach a detailed schedule to support the credit claimed on this line.

#### **LINE 13 - Interest**

If the tax is not paid on or before the due date (determined without regard to any extension of time), interest must be paid on the amount of the underpayment from the due date to the date paid. For information as to the applicable rate of interest call (212) 504-4036.

#### **LINE 14 - Penalty**

- If you fail to file a return when due, add to the tax 5% for each month or partial month the form is late up to 25%, unless the failure is due to reasonable cause.
- If you fail to pay the tax shown on the return by the prescribed filing date, add to the tax (less any payments made) 1/2% for each month or partial month the payment is late up to 25%, unless the failure is due to reasonable cause.
- The total of the additional charges in a) and b) may not exceed 5% for any one month.

#### **SCHEDULE 3**

If this transaction includes more than one grantor or grantee, complete this schedule and provide the requested information for all such grantors or grantees that are not listed on page 1 of this form. For any grantor and grantee that is a single member LLC, provide the requested information for the single member (name and EIN or SSN). For any grantor and grantee that is a partnership or multiple member LLC, provide the requested information for each general partner or member (name and SSN) on a supporting document with a separate page for each partnership or LLC, including the name of the partnership or LLC. If the social security number or employer identification number is not provided for each grantor and grantee, the single member of a single member LLC or a general partner of a partnership or a member of a multiple member LLC which is either a grantor or grantee, attach an affidavit attesting to the reasons that information is missing.

#### **SCHEDULE A**

##### **Line 2d**

If bid price is paid in cash, enter here and on Schedule 1, line 1. If other than cash, enter here and on the appropriate line on Schedule 1.

##### **Line 2f**

Enter remaining mortgages, liens or encumbrances here and on Schedule 1, line 3, 4, 5, 6 or 10 as appropriate.

#### **SCHEDULE C**

##### **Line 4**

Enter remaining mortgages, liens or encumbrances here and on Schedule 1, line 3, 4, 5, 6 or 10 as appropriate.

#### **SCHEDULE D**

In a liquidation, the measure of the tax is the greater of fair market value or consideration. The greater of fair market value or consideration, and the applicable rate of tax are determined separately for each parcel of real property or economic interest in a parcel of real property that is distributed in a liquidation. If this transaction involves the distribution in liquidation of more than one such parcel or economic interest, complete a separate Schedule D for each such property or interest. Attach additional schedules 1 and 2 as necessary. (See §23-03 (g) of the rules of the City of New York for examples of calculation of the tax base in liquidations.)

#### **SCHEDULE F**

##### **Line 8**

If you received other property in exchange for the real property or interest therein that was transferred to the business entity, enter the value of the other property here. If assets other than real property or interests therein were transferred to the business entity in connection with this transaction, the consideration received must be apportioned among the assets transferred. Attach schedule.

#### **SCHEDULE H**

If the entity named in A owns assets in addition to real property or interests therein, the consideration subject to tax is deemed equal to the fair market value of the entity's real property or interests therein multiplied by the percentage of the ownership interest that is transferred. See Administrative Code §11-2102(d). Consideration should be entered on Schedule 1 on appropriate lines.

If the entity named in A owns more than one parcel of real property or economic interest therein, the consideration and the applicable rate of tax is determined separately for each parcel of property or economic interest. Attach separate Schedules H, 1 and 2, as necessary.

If any of the percentages in B, C, D, E or F is 50 percent or more, a return must be filed and tax paid with respect to any transaction reflected in items B, C, D, E or F. The tax rate applicable to each item of real property or economic interest therein is

based on its proportionate share of the aggregate consideration for all transactions reflected in items B, C, D, E or F.

#### **SCHEDULE L - HDFC EXEMPTION**

Beginning August 19, 2016, taxpayers may be eligible to claim a full or partial Real Property Transfer Tax exemption for transfers of real property, or economic interests therein, to or from Housing Development Fund Companies, or entities in which a Housing Development Fund Company owns a controlling interest under Section 11-2106(b)(9) of the Administrative Code of the City of New York.

If an HDFC Transfer satisfies the statutory exemption criteria, the HDFC Exemption reduces the consideration subject to tax in proportion to the floor area that is restricted to the purchase, lease, license or other use by Persons and Families of Low Income (as defined by Section 2 of the Private Housing Finance Law).

The HDFC Exemption may be claimed if: (1) the transfer is an HDFC Transfer; (2) at the time of conveyance, the property is bound by a regulatory agreement with the State of New York, a municipal corporation (i.e., the City of New York), or any other public corporation created by or pursuant to any law of the State of New York (for example, the New York City Housing Development Corporation); and (3) the regulatory agreement (a) binds the property for 30 years or more, (b) requires mutual consent for revocation or amendment, (c) restricts more than 50% of the floor area, other than common areas, to residential real property, and (d) restricts at least 66-2/3% of the residential real property to purchase, lease, license or other use by Persons or Families of Low Income.

If the regulatory agreement restricts less than 100% of the floor area, other than common areas, to purchase, lease, license or other use by Persons or Families of Low Income, then tax applies to the consideration in proportion to the floor area that is unrestricted. Taxpayers must complete Schedule L in accordance with these instructions, for each NYC-RPT that claims an HDFC Exemption. Taxpayers must also include (I) the regulatory agreement, and (II) if applicable, organizational documents that show the HDFC's controlling ownership interest in any non-HDFC transferor or transferee.

#### **LINE 3 - Regulatory Agreement**

Regulatory Agreement means an agreement with the State of New York, a municipal corporation, or any other public corporation created by or pursuant to any law of the State of New York, in particular, the NYC Department of Housing Preservation and Development, the NYC Housing Development Corporation, and/or the NYS Department of Homes and Community Renewal, which restricts the use of a property or a portion thereof to Persons or Families of Low Income.

**LINE 4 - Total Floor Area**

Total Floor Area is defined as the floor area within the exterior walls of a building, exclusive of vent shafts and courts but without deduction for Common Areas

**LINE 5 - Common Floor Area**

Common Areas are all parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use (other than the portion restricted to purchase, lease, license, or other private use) such as: (a) halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building; (b) the basements, cellars, yards, gardens, recreational or community facilities, parking areas and storage spaces; (c) the premises for the lodging or use of janitors and other persons employed for the operation of the property; (d) central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating; (e) the elevators, escalators, and in general all apparatus and installations existing for common use; and (f) such facilities as may be designated as common areas in the agreements covering the use of the building, and in each case made available or used by Persons or Families of Low Income.

**LINE 7 - Residential Floor Area**

Residential Floor Area is the portion of the Total Floor Area restricted to residential uses under the Regulatory Agreement, other than Common Areas.

**LINE 10 - Residential Floor Area Restricted to Persons of Low Income and Families of Low Income**

The portion of the Residential Floor Area restricted to purchase, lease, license or other use by Persons or Families of Low Income under the Regulatory Agreement. Persons of Low Income and Families of Low Income are defined in Article I, Section 2 of the Private Housing Finance Law, which states: Persons or families who are in the low income groups and who cannot afford to pay enough to cause private enterprise in their municipality to build a sufficient supply of adequate, safe and sanitary dwellings.

**PART 3: COMPUTATION OF REFUND**

Taxpayers have one year from the date tax is paid to request refunds, except that a modified period for claiming refunds applies for purposes of this exemption, as more fully explained below.

Some HDFC Transfers may not have a regulatory agreement in place at the time of transfer, but the property owners may subsequently obtain a regulatory agreement. In that case, RPTT is due within 30 days of the transfer on the total consideration subject to tax, but DOF will grant a refund if the transferred real property is made subject to a regulatory agreement that meets the requirements of the HDFC Exemption after the RPTT is paid and within two years from the date of the conveyance or transfer **and** a refund is

claimed within 12 months of the effective date of the regulatory agreement.

To claim a refund on the basis of qualifying for this exemption after the date of transfer, taxpayers should (1) file an amended NYC-RPT Return after the transfer becomes eligible (reflecting the amount of RPTT that should have been paid after the HDFC exemption and the amount of refund claimed) and (2) file a Full or Partial Refund Request for Real Property Transfer Tax For Affordable Housing Development form available at:

[http://www1.nyc.gov/assets/finance/downloads/pdf/land\\_records/lr\\_1123.pdf](http://www1.nyc.gov/assets/finance/downloads/pdf/land_records/lr_1123.pdf)

**SCHEDULE M - MERE CHANGE OF FORM TRANSFERS**

**For transfers occurring on or after June 9, 1994, a transfer that represents a mere change in identity or form of ownership or organization is not taxable to the extent the beneficial ownership of the real property or economic interest therein remains the same. (NYC Administrative Code Section 11-2106 (b) (8)). However, a transfer to a cooperative housing corporation, other than a corporation formed under Articles 2, 4, 5, or 11 of the Private Housing Finance Law, of the property that will comprise the cooperative dwelling will not qualify for this exemption.**

The following are types of transfers that may qualify for the mere-change exemption in whole or in part. If you checked condition "g", "i", or "l" on Form NYC-RPT, page 1, the transfer may qualify for this exemption in whole or in part. Transfers other than those listed may also qualify for the exemption in whole or in part.

- a. A transfer of property or interest therein to a new or pre-existing corporation in which the owners of the property or interest therein prior to the transfer are shareholders;
- b. A transfer of property or interest therein by one wholly-owned subsidiary of a corporation to another wholly-owned subsidiary of the same corporation;
- c. A transfer of property or interest therein to a new or pre-existing partnership in which the owners of the property or interest therein prior to the transfer are partners; or
- d. A distribution of property or interest therein by a corporation or partnership to its shareholders or partners.

**Examples:**

1. A transfer of property owned by three individuals as equal tenants-in common to a corporation or partnership in which the same three individuals are equal shareholders or partners will be fully exempt as a mere change of form of ownership.

2. A transfer of a cooperative apartment owned by an individual to a corporation in which the individual is a 25 percent shareholder will be exempt to the extent that the individual retains a 25% beneficial interest in the coop after the transfer.
3. Corporation X is owned 25% by individual A and 75% by individual B. If Corporation X distributes New York City real property to A and B as equal tenants-in-common, the transfer will be exempt to the extent A retains the same 25 percent interest in the property and B retains a 50 percent interest in the property. The transfer will be taxable to the extent of the additional 25 percent interest in the property transferred to A

For additional information, see Title 19 of the Rules of the City of NY §23-05(b)(8).

**EXEMPTIONS FROM THE TRANSFER TAX**

A. The following parties are exempt from the payment of the tax and from filing a return:

1. The State of New York, its agencies, instrumentalities, public corporations (including a public corporation created pursuant to agreement of compact with another state or Canada) or political subdivisions.
2. The United States of America and its agencies and instrumentalities, insofar as they are immune from taxation.

The exemption of such governmental bodies does not relieve a grantee from them of liability for the tax or from filing a return.

B. The tax imposed does not apply to any of the following deeds:

1. A deed, instrument or transaction by or to the United Nations or any other world-wide international organization of which the United States is a member.
2. A deed, instrument or transaction by or to any corporation, association, trust, community chest, fund or foundation, organized and operated exclusively for religious, charitable, or educational purposes, or for the prevention of cruelty to children or animals, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, provided, however, that nothing in this paragraph shall include an organization operated for the primary purpose of carrying on a trade or business for profit, whether or not all of its profits are

payable to one or more organizations described in this paragraph.

3. A deed, instrument or transaction to any governmental body listed in "A" above.
4. A deed or instrument given solely as security for a debt, or a deed or instrument given solely for the purpose of returning such security.
5. A deed or instrument or transaction from a mere agent, dummy, strawman or conduit to a principal, or a deed from the principal to an agent, dummy, strawman or conduit.

Where a tax does not apply to any deed, neither the grantor nor the grantee is required to pay the tax. However, a return relating to the deed must be filed.

- C. The tax does not apply to the grant or assignment of a leasehold interest in real property located in a tax-free New York area to an approved business participating in the START-UP NY program. See NYS Tax Law §39(g) and New York State Tax Form TP-584-SNY.

**FILING OF RETURN AND PAYMENT OF FILING FEE AND TAX**

A notarized joint return shall be filed by both the grantor and the grantee for each deed, instrument, or transaction, whether or not a tax is due. Thus, a return must be filed although the consideration for the transaction is \$25,000 or less. Where the total consideration is \$400,000 or more, a copy of the contract of sale or closing statement must be attached to the return. A return need not be filed for the grant of a leasehold interest in a 1-, 2-, or 3-family house or an individual dwelling unit except where tax is owed or the lease is to be recorded.

**FILING FEE**

A fee of one hundred dollars (\$100) must be paid upon the filing of the form NYC-RPT for those transactions for which the filing of a New York State Real Property Transfer Report (RP-5217NYC) is not required to be filed. Such transactions include, but are not limited to, transfers of co-ops, leaseholds and controlling economic interests.

**RECORDED TRANSFERS**

Returns relating to a transfer in Manhattan, the Bronx, Brooklyn or Queens, where a deed or other document is recorded, must be filed via ACRIS ([nyc.gov/finance](http://nyc.gov/finance)). **Any tax due is required to be paid at the office of the City Register in the county where the deed is recorded within 30 days of the delivery of the deed.**

In Staten Island, returns relating to a transfer in Staten Island where a deed or other document is recorded, are required to be filed using the paper original and any tax due is required to be paid at the Office of the County Clerk for Richmond County within 30 days of the delivery of the deed.

**The locations of the offices of the City Register are as follows:**

**MANHATTAN** (New York County)  
66 John Street, 13th Floor  
New York, New York 10038

**BRONX** (Bronx County)  
3030 Third Avenue, 2nd Floor  
Bronx, New York 10455

**BROOKLYN** (Kings County)  
210 Joralemon Street, Room 2  
Brooklyn, New York 11201

**QUEENS** (Queens County)  
144-06 94th Avenue  
Jamaica, NY 11435

The location of the Richmond County Clerk is as follows:

**STATEN ISLAND** (Richmond County)  
Richmond County Clerk  
County Court House, Room 103  
Staten Island, New York 10301  
(718) 390-5386

**NON-RECORDED TRANSFERS**

In the case of transfers where no document is recorded, including but not limited to transfers of controlling economic interests in real property or transfers of interests in entities formed for cooperative ownership of real property, returns must be filed within 30 days of the transfer with:

**NYC Department of Finance  
Non-Recorded RPTT Return Processing  
66 John Street, 13th Floor  
New York, NY 10038**

The tax may be paid by certified check, or an Attorney's Trust Account check, drawn on a U.S. bank, or money order made payable to the order of:

**NYC Department of Finance.**

**Returns filed on or after February 6, 1990, in connection with a conveyance of a one- or two-family dwelling or a cooperative apartment or condominium unit in a one- or two-family dwelling must be accompanied by an Affidavit of Compliance with Smoke Detector Requirement.**

NYC-RPT returns are available at City Register offices, the office of the Richmond County Clerk or online at [nyc.gov/finance](http://nyc.gov/finance).

**IMPORTANT REAL ESTATE TAX INFORMATION FOR NONPROFIT ORGANIZATIONS**

If you are a nonprofit organization you should know:

1. You must apply for an exemption from Real Estate Tax with the Payment Operations Division. Exemption forms can be obtained online at [nyc.gov/finance](http://nyc.gov/finance), or any of the Borough Offices of the Property Division.

**MANHATTAN**  
**66 John Street, 13th Floor**  
**New York, NY 10038**

**BRONX**  
**3030 Third Avenue, 2nd Floor**  
**Bronx, NY 10455**

**BROOKLYN**  
**210 Joralemon St., Room 200**  
**Brooklyn, NY 11201**

**QUEENS**  
**144-06 94th Avenue**  
**Jamaica, NY 11435**

**STATEN ISLAND**  
**350 St. Marks Place**  
**Staten Island, NY 10301**

2. Once you have received an exemption, you must renew it every year with the Payment Operations Division.
3. Many groups are exempt from property taxes but still may be required to pay water and sewer charges. You must file separately for an exemption from water and sewer charges with the Bureau of Customer and Conservation Services. Applications can be obtained from any of the Bureau's borough offices (call (718) 595-7000 for addresses). Once granted, this exemption need not be renewed annually.

**EVEN IF THIS TRANSFER OF REAL PROPERTY IS FROM ANOTHER NONPROFIT ORGANIZATION, YOU MUST STILL COMPLY WITH THE ABOVE REQUIREMENTS.**

For more information call 311, or visit our website at [nyc.gov/finance](http://nyc.gov/finance)

**PRIVACY ACT NOTIFICATION**

The Federal Privacy Act of 1974, as amended, requires agencies requesting Social Security Numbers to inform individuals from whom they seek this information as to whether compliance with the request is voluntary or mandatory, why the request is being made and how the information will be used. The disclosure of Social Security Numbers for grantors and grantees is mandatory and is required by section 11-102.1 of the Administrative Code of the City of New York. Disclosure by attorneys is voluntary. Such numbers disclosed on any report or return are requested for tax administration purposes and will be used to facilitate the processing of tax returns and to establish and maintain a uniform system for identifying taxpayers who are or may be subject to taxes administered and collected by the Department of Finance. Such numbers may also be disclosed as part of information contained in the taxpayer's return to another department, person, agency or entity as may be required by law, or if the taxpayer gives written authorization to the Department of Finance.