

November 12, 1996

RE: Block , Lot  
FLR: 964685-021

Dear :

This letter is in response to your request, dated , for a ruling regarding the application of the New York City Real Property Transfer Tax ("RPTT") to the transaction described below.

#### FACTS

The facts presented are as follows:

took title to the premises (the "Taxpayers") located at (the "Property") as joint tenants by deed recorded in Reel , page . You have represented that there is no outstanding mortgage on the Property. The Taxpayers now desire to transfer their ownership interests in the Property to a corporation in which the Taxpayers would be the sole stockholders, each having an equal equity stake in the corporation.

#### ISSUE

You have requested a ruling that the proposed transfer of title to the Property from the Taxpayers to a corporation in which Taxpayers would be the sole stockholders will not be subject to RPTT.

#### CONCLUSION

Based on the facts presented and the representation submitted, we have determined that the transfer of the Property from the Taxpayers to a corporation in which the Taxpayers are to be the sole stockholders will be exempt from the RPTT.

## DISCUSSION

The RPTT applies to each deed conveying an interest in New York City real property when the consideration for the real property interest exceed \$25,000. Code section 11-2102 of the New York City Administrative Code (the "Code"). Code section 11-2106 (b)(8), which applies to conveyances made on or after June 9, 1994, provides that a deed conveying real property that effects a mere change of identity or form of ownership is exempt from the RPTT to the extent that the beneficial ownership of the property remains the same.

Because the Taxpayers are joint tenants in the Property and will be equal stockholders in the corporation following the transfer, the proposed transfer of the Property by the Taxpayers to a corporate entity in which the Taxpayers would be the sole stockholders will not alter the beneficial ownership of the Property and thus will be exempt from the tax. Code section 11-2106 (b)(8).

The Department of Finance reserves the right to verify the information submitted

Very truly yours,

Devora B. Cohn  
Assistant Commissioner  
for Legal Affairs