



June 26, 2008

**Re:** Exemption Request

Real Property Transfer Tax

Dear :

This is in response to your request for an exemption from the New York City Real Property Transfer Tax ("RPTT") on behalf of the xxxxxxxxxxxxxxxx Church (the "Grantor") with respect to the transfer of xxxxxxxxxxxxxxxx(the "Property") to xxxxxxxxxxxxxx (the Grantee). The transfer took place on April 21, 2008.

**FACTS**

The Grantor is a church incorporated under the Religious Corporation Law of the State of New York. The Grantor is affiliated with the xxxxxxxxxxxxxxxxxxxxxxxx. The actual activities of the Grantor involve having religious services, teaching the Bible, holding Sunday School Classes and other related church activities to promote the purposes of the church. The source of the funds for the church are contributions from its parishioners and the disposition of the funds is for the maintenance of the church building and its ministry. All church funds are either spent or placed in an account as a reserve to maintain the Grantor and its minister and ministries. None of the assets of the church will inure to any private shareholder or individual.

Submitted in support of the application for exemption is a copy of the Grantor's Articles of Incorporation, its By-laws, and a United States Treasury Department letter stating that although there is no specific exemption for the Grantor, churches are automatically exempt. Also submitted in support of your application is a statement of receipts and disbursements and assets and liabilities for the church as of September, 2007 and a copy of the court order authorizing the sale of the Property .

**ISSUE**

Is the transfer of the Property by the Grantor exempt from the RPTT?

**CONCLUSION**

The transfer of the Property by the Grantor is exempt from the RPTT.

**DISCUSSION**

Code section 11-2102 imposes a tax on any deed conveying an interest in real property or any instrument or transaction transferring a controlling economic interest in real property when the consideration exceeds \$25,000. Code section 11-2106.b.2 exempts from the tax any deed, instrument or transaction conveying or transferring real property or an economic interest therein by or to any entity

organized or 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...; 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;....

Based on the information submitted, we have determined that the transfer of the Property from the Grantor is exempt from the RPTT.

The Department reserves the right to verify the facts submitted.

Very truly yours,

Dara Jaffee  
Assistant Commissioner  
Office of Legal Affairs

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