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Re: Request for Ruling
N.Y.C. Real Property Transfer Tax
Block , Lot
FLR No.: 14-4962/RPTT

Dear Mr. :

This letter is in response to your request dated for a ruling on behalf of (the "Seller") that the Seller's conveyance of a one-family house is subject to a rate of the Real Property Transfer Tax (the "RPTT") applicable to one, two or three-family houses.

FACTS

The Seller is the owner of a single-family house (the "Property") in New York City (the "City") located at in the borough of . On , the Seller sold the Property for a sales price of \$. The Department of Finance classifies the Property as a Class A-1 one-family dwelling Real Property Tax purposes. On , 19 , the Department of Buildings issued a Certificate of Occupancy for the Property, describing the Property as a "One (1) family dwelling and doctor's office conjunctively." The Property has, in fact, been used exclusively for residential purposes for the past forty years. You have submitted two affidavits to support your position that the Property was used exclusively for residential purposes. The first affidavit is from attesting to the fact that they owned the Property from until its sale to the Seller in during which period the house was used exclusively for residential purposes by their family. The second affidavit from the Seller states she purchased the Property in from and held it vacant until its sale in .

ISSUE

You have requested a ruling as to whether the Seller's conveyance of the Property is subject to the reduced rate of 1.425 percent applicable to the conveyance of a one, two or three family house where the consideration is more than \$500,000.

CONCLUSION

Based on the facts presented and the representations and documents submitted, we have determined that the Seller's conveyance of the Property is subject to the rate of 1.425 percent applicable to the conveyance of a one, two or three-family house where the consideration is more than \$500,000.

DISCUSSION

Section 11-2102 of the Administrative Code of the City of New York (the "Code") imposes the RPTT on the conveyance of real property or the transfer of an economic interest in real property located in the City, where the consideration for the conveyance or transfer exceeds \$25,000. For a conveyance of one, two or three-family house or an individual residential condominium unit, the RPTT is imposed at a rate of one percent if the conveyance is \$500,000 or less, and a rate of 1.425 percent if the consideration is more than \$500,000. Code §11-2102(a)(9)(i).

Based upon the documentation and other information submitted in support of your request indicating that (1) the Department classifies the Property as a Class A-1 one family dwelling, (2) the Property has been used exclusively for residential purposes since _____, and (3) the consideration is more than \$500,000, the Seller's conveyance of the Property is subject to the 1.425 percent tax rate applicable to a one, two or three-family house. The mention of a doctor's office in the Property's Certificate of Occupancy does not alter this conclusion. Your representation as to the Seller's and prior owners' actual use of the Property and the affidavits submitted in support of this application are consistent with the Department's Real Property Tax classification and there is no information suggesting that the Department's classification is incorrect.

This opinion is based on the facts as presented. The Department of Finance reserves the right to modify its opinion in the event that the facts upon which this is based are other than as described above.

Very truly yours,

Diana Beinart
General Counsel

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