



The NYS budget was passed earlier this week and it contains two new tax provisions that will impact real estate transactions. The changes will take effect on July 1, 2019 and will apply to conveyances occurring on or after such date. (see footnote 1)

**Both taxes only pertain to cities in NYS with populations of one million or more (presently only NYC).**

1. An INCREASE in the NYS TRANSFER TAX RATES; Tax continues to be paid by the Seller/Grantor - the existing rate is \$4.00 PER thousand of the consideration (or fraction thereof).

The changes are as follows:

- For residential properties\* - An ADDITIONAL \$2.50 per thousand, bringing the total tax to \$6.50 per thousand when the purchase price is \$3 million or more. (\*Defined as a 1, 2, or 3 family house, condo. or coop. unit)
- For all other properties - An ADDITIONAL \$2.50 per thousand bringing the total tax to \$6.50 per thousand - when the purchase price is \$2 million or more.

#### NEW YORK STATE TRANSFER TAX effective 7.1.19 (see footnote 1)

Consideration	Transfer Tax Residential	Transfer Tax Non-Residential
Under \$2,000,000.00	\$4 per \$1000 (.4%)	\$4 per \$1000 (.4%)
\$2,000,000 to \$3,000,000.00	\$4 per \$1000 (.4%)	\$6.50 per \$1000 (.65%)
\$3,000,000.00 or more	\$6.50 per \$1000 (.65%)	\$6.50 per \$1000 (.65%)

2. A NEW SUPPLEMENTAL TAX – Tax continues to be paid by the Purchaser/Grantee. See 1402(b) of the Tax Law.

- *THIS TAX IS SUPPLEMENTAL TO THE EXISTING MANSION TAX.*
- Applicable only on residential real properties.
- Tiered rate structure, as follows, based on the consideration between

\$2,000,000 - \$2,999,999	0.25%	\$15,000,000 - \$19,999,999	2.50%
\$3,000,000 - \$4,999,999	0.50%	\$20,000,000 - \$24,999,999	2.75%
\$5,000,000 - \$9,999,999	1.25%	\$25,000,000 and more	2.90%
\$10,000,000 - \$14,999,999	2.25%		

As a result of the aforementioned supplemental tax the NEW tax rates for Mansion tax will be as follows:

#### NEW YORK STATE MANSION TAX effective 7.1.19 (see footnote 1)

Consideration	NEW Mansion Tax Rate	Consideration	NEW Mansion Tax Rate
less than \$1,000,000.00	Not subject to mansion tax	\$10,000,000.00 to \$14,999,999.99	3.25%
\$1,000,000.00, to 1,999,999.99	1%	\$15,000,000.00 to \$19,999,999.99	3.50%
\$2,000,000.00 to 2,999,999.99	1.25%	\$20,000,000.00 to \$24,999,999.99	3.75%
\$3,000,000.00 to 4,999,999.99	1.50%	\$25,000,000.00 or more	3.90%
\$5,000,000.00 to \$9,999,999.99	2.25%		

**Footnote 1:** The increased rates will not apply to transactions closing on and after July 1, 2019 IF the conveyance was made pursuant to a binding written contract entered into on or before April 1, 2019, "provided that the date of execution of such contract is confirmed by independent evidence, such as the recording of the contract, payment of a deposit or other facts and circumstances as determined by the Commissioner of Taxation and Finance."