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State of New York - Department of Taxation and Finance  
Real Estate Transfer Tax Manual  
**Procedures to be Followed by County Clerk for**

December 2015

**Intake and Processing of Form TP-584**

Chapter 3

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**.1 Review of Form TP-584, Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax**

The following information is required for the processing of Form TP-584 returns by the New York State Department of Taxation and Finance. All of the information below is required. If information is not available, an explanation must be attached.

A. Schedule A - Information relating to conveyance

1. Grantor and Grantee

- One box must be checked by each. If the Single member LLC box is checked, the name and Social Security Number (SSN) or Employer Identification Number (EIN) of the single member grantor and/or grantee must be filled in.

2. Name and mailing address of the grantor and grantee (*Reminder: In a mortgage foreclosure situation, the Grantor is the defaulting mortgagor, not the referee.*)

- The information must be complete and legible.

3. SSN or EIN for **each** grantor and grantee is required unless the conditions in bullets two or three below are met. (See chapter 5, page 5-2, questions 1 and 2.)

- Must be complete and legible. If an attachment is necessary for multiple grantors and grantees, SSN or EIN must be included for each grantor/grantee
- If an SSN or EIN has been applied for, but not received, the taxpayer should write "applied for" in the appropriate number space.
- If the grantor or grantee states that they do not have an SSN or EIN and that they cannot apply for one, the grantor or grantee should write "Not Applicable" in the appropriate space and attach a brief explanation to the form.

4. Location and description of property conveyed

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- Information on tax map designation; SWIS code; street address; city, town, or village; and county must be complete and legible.
5. Type of property conveyed
- At least one box must be checked.
6. Date of conveyance
- Month, day, and year of the transfer **must** be entered.
  - **Compare the date of the instrument** being recorded to the **date of conveyance** on Form TP-584.
  - If the **date of the instrument** is **not the same** as the **date of conveyance** on Form TP-584, there must be an **attachment explaining the reason**.
  - If the date of the instrument effecting the conveyance is the same date, or within 15 days of the date of conveyance, as stated on Form TP-584, Form TP-584 may be accepted as is, assuming all of the other requirements have been met.
  - If the date of conveyance on Form TP-584 is more than 15 days after the date of the instrument effecting the conveyance, you must **enter the date the instrument was executed above the conveyance date** on Form TP-584, before accepting Form TP-584. Form TP-584 should then be flagged for audit. (See chapter 5, page 5-7, question 18 for information on how returns should be flagged.)
7. Percentage of residential real property conveyed
- The percentage of real property conveyed which is residential real property must be entered here. This section must be completed even if the percentage is "0". Residential real property means that the premises are or may be used in part as a personal residence at the time of conveyance, a one, two, three family house, an individual residential condominium, or a residential cooperative apartment.

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8. Condition of conveyance

- At least one box must be checked. If box e, f or g is checked, Form TP-584.1, *Real Estate Transfer Tax Return Supplemental Schedules*, must be completed and submitted together with the Form TP-584.

B. Schedule B - Real estate transfer tax return (Article 31 of the Tax Law)

**Part I - Computation of tax due**

- Line 1 - amount of consideration for the conveyance must be entered. **If an exemption is claimed, the *Exemption claimed* box on line 1 must be checked and a box must be checked in **Schedule B, Part III**.** If no exemption is claimed, go to line 2.
- Line 2 - the value of any lien or mortgage remaining on the property after the conveyance should be entered on this line. (*Please note:* If the conveyance is pursuant to or in lieu of an action to foreclose a mortgage, lien or other security interest, the amount of the continuing lien does not include the amount of the debt secured by the mortgage, lien or other security interest which is the subject of the conveyance.)
- Line 3 - subtract line 2 from line 1 and check arithmetic.
- Line 4 - calculate the amount of tax due. The rate is \$2.00 for each \$500.00 or fractional part thereof, of the taxable consideration on line 3.

For example:

<u>Line 3 Consideration</u>	<u>Tax Due</u>
\$ 500.00 or less	-0-
\$ 500.01 - \$ 1,000.00	\$ 4.00
\$ 1,000.01 - \$ 1,500.00	\$ 6.00
\$ 1,500.01 - \$ 2,000.00	\$ 8.00

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- Line 5 - If an amount is entered, verify that the credit amount agrees with the entry on Schedule G, Part I, Line 39 of Form TP-584.1.
- Line 6 - Total tax due - computed by subtracting line 5 from line 4.

**Part II - Computation of additional tax due on the conveyance of residential real property for \$1 million or more (mansion tax)**

- Line 1 - If consideration for conveyance of residential real property or an interest therein is \$1 million or more for the entire conveyance, the total amount of the consideration for the conveyance should be entered on this line and agree with the entry on Schedule B, Part I, line 1.  
*(Please note: Continuing lien deduction is not allowed for purposes of computing the additional tax.)*
- Line 2 - Multiply line 1 by the percentage entered in Schedule A, "Percentage of real property conveyed which is residential real property \_\_\_\_ %."
- Line 3 - Check the additional tax due by multiplying line 2 by one percent (.01).

Verify that the taxpayer's payment agrees with the tax due amounts on Part I, line 6 and Part II, line 3. **Check(s) must be made payable to the County Clerk where the recording is taking place. If the recording is taking place in New York City boroughs of Manhattan, Bronx, Brooklyn or Queens, the check is made payable to the NYC Finance Department.**

If the transfer tax was paid directly to the Tax Department, the copy of Form TP-584 presented for recording will have the Tax Department stamp on the bottom of page 1 and will show the amount of transfer tax paid to the department.

If the conveyance is of real property located in more than one county and the instrument effecting the conveyance is to be recorded in more than one county, Form TP-584 must be filed with, and the tax due paid to the recording officer of the county where the instrument effecting the conveyance is first recorded. At the request of the person

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presenting the instrument for recording, the recording officer must sign a copy of the instrument and indicate on the copy that the required return has been filed and the amount of tax paid. The endorsed copy of the instrument effecting the conveyance of real property may then be recorded by the recording officer of another county.

**Part III – Explanation of exemption claimed on Part I, line 1**

- If the taxpayer has claimed an exemption from tax, verify that at least one of the boxes a through k is checked. Check for any required attachments, i.e. supplemental schedules or supporting documentation.

C. Schedule C- Credit Line Mortgage Certificate (Article 11 of the Tax Law)

***Please note:*** Schedule C must be completed whenever a conveyance of real property consists of a **fee simple interest**.

- When conveyance is a fee simple interest - verify that the appropriate box or boxes have been checked. Confirm any required documentation is attached.
- If box 4 has been checked, make sure the appropriate information is filled in and collect any mortgage recording tax due. Note the amount of the mortgage tax paid on the deed or other document evidencing the transfer and cross-reference the deed or other document to the mortgage that is being assumed.

D. Signature Affirmation

- The return is to be signed by **all grantors and all grantees**. However, the return may be **accepted** if signed by **any one of** the grantors or any one of the grantees. Tax Law section 1409(b). (See chapter 5, page 5-2, question 3)

E. Schedule D – Certification of exemption from the payment of estimated personal income tax (Article 22 of the Tax Law)

This schedule must be completed for the sale or transfer of a **fee simple interest** in real property **or a cooperative unit** located in New York State by an **individual, estate, or trust** claiming exemption from the estimated personal income tax provisions under Tax Law section 663. Corporations, partnerships and other entities are not required to complete Schedule D.

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When Schedule D is being filed in the case of a foreclosure, the Part I certification is not required to be completed. Instead, as instructed on the return, the referee should skip Part I and check the second exemption box under Part II and sign at the bottom.

**Part I – New York State residents**

- Verify that *each* transferor/seller who is a New York State **resident** at the time of the conveyance has **signed the certification**. Photocopies of schedule D may be submitted to accommodate all resident transferors/sellers.

**Part II – Nonresidents of New York State**

- Verify that the nonresident transferor/seller who is claiming an exemption from paying estimated personal income tax has checked **the appropriate exemption box and each has signed the certification**. Photocopies of schedule D may be submitted to accommodate all nonresident transferors/sellers.

Questions pertaining to Schedule D should be referred to Taxpayer Guidance, Income Tax Instruction and Interpretation Section at (518) 530-4111.