

## Increases to New York State Transfer and Mansion Taxes

The New York State Senate and Assembly have just enacted changes to Section 1402 of the State Tax Law, which increase the New York State Transfer Tax and Mansion Tax on transfers of real property (including apartment cooperative units) located within the five boroughs of New York City and other cities with a population of one million or more. The new increases are applicable to closings that occur on or after July 1, 2019, although an exception exists for transactions entered into prior to April 1, 2019 but that close on or after July 1, 2019. The Mansion Tax is in addition to the New York State Transfer Tax.

The new applicable tax rates are as follows:  
New York State Transfer Tax (typically paid by the seller)

Purchase Price	NYS Transfer Tax Rate - Residential	NYS Transfer Tax Rate - Commercial
Under \$2 million	.4%	.4%
\$2 million - \$3 million	.4	.65%
Over \$3 million	.65%	.65%

New York State Mansion Tax (if applicable, typically is paid by the purchaser of residential real property, and includes one, two and three family dwellings, individual condominiums and cooperatives)

Purchase Price	NYS Mansion Tax Rate
Under \$1 million	Not applicable
\$1 million - \$1,999,999	1%
\$2 million - \$2,999,999	1.25%
\$3 million - \$4,999,999	1.50%
\$5 million - \$9,999,999	2.25%
\$10 million - \$14,999,999	3.25%
\$15 million - \$19,999,999	3.5%
\$20 million - \$24,999,999	3.75%
\$25 million and up	3.90%

In addition to the rate increases, the new law makes the seller responsible for paying the Mansion Tax in the event a purchaser fails to pay the tax, or if a purchaser is exempt from paying the tax. If a seller is required to pay the Mansion Tax due to the purchaser's failure to pay (as opposed to purchaser's exemption from paying), the tax will be a joint and several liability of the seller and the purchaser.

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If you have any questions about changes to the New York State tax law or any real estate questions in general, please contact Harvey Krasner at [hkrasner@wbny.com](mailto:hkrasner@wbny.com), or your regular Warsaw Burstein attorney.

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