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REAL ESTATE TRANSFER TAXES AND FEES

Seller

- New York State imposes a real estate transfer tax on conveyances of real property or interests therein when the consideration exceeds \$500. The tax is computed at a rate of two dollars for each \$500, or fractional part thereof, of consideration. To determine the applicable transfer tax multiple the sales price by .004.

Purchaser

- An additional real estate transfer tax (sometimes referred to as the "mansion tax") of 1% of the sales price applies to residences where consideration is \$1 million or more.
- In the Peconic Bay Region (East Hampton, Riverhead, Shelter Island, Southampton, and Southold) local law imposes a transfer tax of 2% of consideration on the conveyance of real property or an interest therein where the consideration exceeds \$500. All revenue from this tax will be deposited in the applicable Town's Community Preservation Fund. In the Towns of Shelter Island, East Hampton and Southampton, the first \$250,000 of consideration for improved land is exempt. For unimproved land the first \$100,000 of consideration is exempt. In the Towns of Riverhead and Southold the first \$150,000 of consideration for improved land is exempt. For unimproved land the first \$75,000 of consideration is exempt.
- New York State also taxes money borrowed to purchase or refinance a residential home or condo. The tax varies from County to County. In Suffolk County the tax is 1.05% of the amount borrowed. The lender will typically pay 0.25% of this tax leaving the borrower to pay 0.80%.
- Most purchasers are required to obtain title insurance by their lender. Even when a lender is not involved most purchasers will obtain their own title insurance policy. The fee paid for title insurance is regulated by New York State so there is no advantage to pricing this fee out. The cost of title insurance is based on the purchase price. The following link can be used to determine the cost of title insurance for a particular transaction. <http://nvrates.fntic.com/>