

**TP-584-I**

New York State Department of Taxation and Finance

**Instructions for Form TP-584**

**Combined Real Estate Transfer Tax Return,**

(10/03)

**Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax**

**Summary of September 2003 Changes**

Effective September 1, 2003, new section 663 of the Tax Law requires nonresident individuals, estates, and trusts to comply with the estimated personal income tax provisions under that section upon the sale or transfer of certain real property located in

New York State unless they meet one of the exemptions under section 663. The payment is an estimate of the amount of personal income tax due based on the gain, if any, from such sale or transfer.

Form TP-584 has been revised to add new Schedule D, *Certification of exemption from the payment of estimated personal income tax*. In addition to current Schedules A, B, and C, Schedule D must now be completed if a fee simple interest in real property is being transferred by a resident individual, estate, or

trust, or by a nonresident individual, estate, or trust entitled to claim exemption from the payment of estimated personal income tax as provided for under Tax Law, section 663.

Each grantor/transferor listed in Schedule A of Form TP-584 (or an attachment to Form TP-584) who does not meet the requirements to claim exemption from the payment of estimated personal income tax as stated in Part I or Part II of Schedule D **must** use

Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, and pay the full amount of estimated personal income tax due, if any, to the recording officer at the time the deed is presented for recording. For more information, see Form IT-2663 and its instructions.

Schedule D need not be completed if the interest being transferred is anything other than a fee simple interest in real property or the property is being transferred by anyone or any entity other than an individual, estate, or trust. However, Schedules A, B, and C must still be completed to satisfy the transfer tax and mortgage tax requirements.

**Note:** Any deed for a fee simple interest in real property by an individual, estate, or trust should not be recorded by any recording officer unless **each** grantor/seller listed in Schedule A of

Form TP-584 (or an attachment to Form TP-584) has signed Schedule D of Form TP-584 **or** presents to the recording officer Form IT-2663 with full payment of estimated personal income tax due, if any. For more information, see Form IT-2663 and its instructions.

**Who must file**

Form TP-584 must be filed for each conveyance of real property from a grantor/transferor to a grantee/transferee.

It may not be necessary to complete all the schedules on Form TP-584. The nature and condition of the conveyance will

determine which of the schedules you must complete. Please see the specific instructions for completing each schedule.

**Note:** Public utility companies, regulated by the Public Service Commission, and governmental agencies that are granted easements and licenses for consideration of less than $500 may use Form TP-584.2, *Real Estate Transfer Tax Return for Public Utility Companies’ and Governmental Agencies’ Easements and Licenses,* to record these conveyances. For purposes of

Form TP-584.2, a governmental agency is the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions, or any public corporation, including a public corporation created pursuant to an agreement or compact with another state or Canada.

A conveyance of an easement or license to a public utility company, where the consideration is $2 or less and is clearly stated as actual consideration in the instrument of conveyance, does not require the filing of Form TP-584 or Form TP-584.2.

**When and where to file**

File Form TP-584 with the recording officer of the county where the real property being conveyed is located, no later than the fifteenth day after the delivery of the instrument effecting the conveyance.

However, if the instrument effecting the conveyance will not be recorded, or will be recorded later than the time required to file Form TP-584 and to pay any real estate transfer tax, file

Form TP-584 and pay any real estate transfer tax due no later than the fifteenth day after the delivery of the instrument effecting the conveyance, directly with:

**NYS TAX DEPARTMENT**

**RETT RETURN PROCESSING PO BOX 5045**

**ALBANY NY 12205-5045**

**Instructions for Schedule A**

**Name and address box**

Print or type the names, addresses, and social security or employer identification numbers of the grantor and grantee as they appear in your deed, lease, or other instrument that conveys the interest in real property. However, if the conveyance is pursuant to a mortgage foreclosure or any other action governed by the Real Property Actions and Proceedings Law, the defaulting mortgagor or debtor is the grantor. If additional space is needed, please attach a schedule to Form TP-584 setting forth the names, addresses, and social security or employer identification numbers of all the grantors and grantees.

**Purpose of Form TP-584**

Form TP-584 must be used to comply with the filing requirements of the real estate transfer tax (Tax Law, Article 31), the tax on mortgages (Tax Law, Article 11), as it applies to the *Credit Line Mortgage Certificate,* and the exemption from estimated tax (Tax Law, Article 22), as it applies to transfers of real property under Tax Law, section 663(a).

**Since this form is used to satisfy the filing requirements of three distinct taxes, please rely on the definition of terms and instructions as they pertain to each schedule.**

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**Location and description of property conveyed**

Give the location and description of the interest in real property being conveyed by giving the tax map designation and address as they appear in your deed, lease, or other instrument that conveys the interest in real property. You need not include a tax map designation if the property being conveyed is an individual cooperative apartment. Also include the name of the city or village, town, and county where the property conveyed is located.

**Type of property conveyed**

Indicate by checking the appropriate box whether the property conveyed is a one-, two-, or three-family house, a residential condominium unit, a residential cooperative apartment, vacant land, or other type of property. If you are conveying a one-, two-, or three-family house, a residential cooperative apartment, or a residential condominium unit, you may be entitled to the continuing lien deduction. See page 3 of these instructions for more information.

**Condition of conveyance**

Indicate the condition of conveyance by checking all the condition(s) that apply. If items e, f, or g are checked,

Form TP-584.1, *Real Estate Transfer Tax Return Supplemental Schedules,* must be attached to Form TP-584, with the appropriate schedule completed.

**Date of conveyance**

Indicate the date the instrument effecting the conveyance was delivered from the grantor to the grantee. The date of the instrument is presumed to be the date of delivery of the instrument.

**Percentage of real property conveyed which is residential real property**

Indicate the percentage of the entire real property conveyed that is **residential real property**. (See *Imposition of additional tax,* on page 4, for a definition of the term *residential real property*).

capital, profits, or beneficial interest in such voting stock of such corporation, and (b) in the case of a partnership, association, trust, or other entity, 50% or more of the capital, profits or beneficial interest in such partnership, association, trust, or other entity.

*Real property* means every estate or right, legal or equitable, present or future, vested or contingent, in lands, tenements or hereditaments, including buildings, structures, and other improvements thereon, which are located in whole or in part within the state of New York. It does not include rights to sepulture.

*Consideration* means the price actually paid or required to be paid for the real property or interest therein, including payment for an option or contract to purchase real property whether or not expressed in the deed and whether paid or required to be paid by money, property, or any other thing of value. It includes the cancellation or discharge of an indebtedness or obligation. It also includes the amount of any mortgage, purchase money mortgage, lien or other encumbrance, whether or not the underlying indebtedness is assumed or taken subject to.

1. In the case of a creation of a leasehold interest or the granting of an option with use and occupancy of real property, consideration includes, but is not limited to, the value of the rental and other payments attributable to the use and occupancy of the real property or interest therein, the value of any amount paid for an option to purchase or renew and the value of rental or other payments attributable to the exercise of any option to renew.
2. In the case of a creation of subleasehold interest, consideration includes, but is not limited to, the value of the sublease rental payments attributable to the use and occupancy of the real property, the value of any amount paid for an option to renew and the value of rental or other payments attributable to the exercise of any option to renew, less the value of the remaining prime lease rental payments required to be made.

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**Instructions for Schedule B**

**Imposition of tax**

A real estate transfer tax (Part I of this schedule) is imposed on each conveyance at the time the instrument effecting the conveyance is delivered by a grantor to a grantee when the consideration or value of the interest conveyed exceeds $500. The tax is computed at a rate of two dollars for each $500 of consideration or fractional part thereof.

An additional tax (Part II of this schedule) is imposed on the conveyance of residential real property where the consideration for the entire conveyance is one million dollars or more. For more information, please refer to the section *Imposition of additional tax* on page 4 of these instructions.

**Definition of terms for the real estate transfer tax**

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In the case of a transfer or an acquisition of a controlling interest in any entity that owns real property, consideration means the fair market value of the real property or interest therein, apportioned based on the percentage of the ownership interest transferred or acquired in the entity.

1. In the case of an assignment or surrender of a leasehold interest or the assignment or surrender of an option or contract to purchase real property, consideration does not include the value of the remaining rental payments required to be made pursuant to the terms of such lease or the amount to be paid for the real property pursuant to the terms of the option or contract being assigned or surrendered.
2. In the case of (a) the original conveyance of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the cooperative corporation or cooperative plan sponsor and (b) the subsequent conveyance by the owner thereof of such stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold for a cooperative unit other than an individual residential unit, consideration includes a proportionate share of the unpaid principal of any mortgage(s) on the real property of the cooperative housing corporation comprising the cooperative dwelling or dwellings. This amount is determined by multiplying the total unpaid principal of the mortgage by a fraction, the numerator of which is the number of shares of

*Person* means an individual, partnership, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee, or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.

*Controlling interest* means (a) in the case of a corporation, either 50% or more of the total combined voting power of all classes of stock of such corporation, or 50% or more of the

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stock in the cooperative housing corporation being conveyed in connection with the grant or transfer of the proprietary leasehold, and the denominator of which is the total number of shares of stock in the cooperative housing corporation.

*Conveyance* means the transfer or transfers of any interest in real property by any method, including but not limited to sale, exchange, assignment, surrender, mortgage foreclosure, transfer in lieu of foreclosure, option, trust indenture, taking by eminent domain, conveyance upon liquidation or by a receiver, or transfer or acquisition of a controlling interest in any entity with an interest in real property. Transfer of an interest in real property includes the creation of a leasehold or sublease only where (a) the sum of the term of the lease or sublease and any options for renewal exceeds 49 years, (b) substantial capital improvements are or may be made by or for the benefit of the lessee or sublessee, and (c) the lease or sublease is for substantially all of the premises constituting the real property. The conveyance of real property shall not include a conveyance pursuant to devise, bequest, or inheritance; the creation, modification, extension, spreading, severance, consolidation, assignment, transfer, release or satisfaction of a mortgage; a mortgage subordination agreement, a mortgage severance agreement, an instrument given to perfect or correct a recorded mortgage; or a release of lien of tax pursuant to the Tax Law or the Internal Revenue Code (IRC).

*Interest in the real property* includes title in fee, a leasehold interest, a beneficial interest, an encumbrance, development rights, air space and air rights, or any other interest with the right to use or occupancy of real property or the right to receive rents, profits, or other income derived from real property. It also includes an option or contract to purchase real property. It does not include a right of first refusal to purchase real property.

*Grantor* means the person making the conveyance of real property or interest therein, or where the conveyance consists of a transfer or an acquisition of a controlling interest in an entity with an interest in real property, the entity with an interest in real property or a shareholder or partner transferring stock or partnership interest, respectively.

*Grantee* means the person who obtains real property or any interest therein as a result of a conveyance.

*Fair market value* means the amount a willing buyer would pay a willing seller for the real property without deducting mortgages or other liens that the property may be taken subject to as part of the sale or transfer.

(2) conveyances where the consideration is less than $500,000, the taxable consideration shall exclude the value of any lien or encumbrance remaining thereon at the time of the conveyance.

In addition, section 1405-B provides that in the case of a resale of an individual residential cooperative unit, the consideration for the interest conveyed shall exclude the value of any liens on certificates of stock or other evidences of an ownership interest in and a proprietary lease from a corporation or partnership formed for the purpose of cooperative ownership of residential interest in real estate remaining thereon at the time of conveyance.

**Examples:**

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A *purchases a one-family residence from* B *for a total consideration of $150,000 ($100,000 in cash and the assumption of* B*’s existing mortgage of $50,000). Since the existing mortgage which is being assumed would constitute a continuing lien, in determining the taxable consideration for real estate transfer tax (line 3 of Form TP-584, Schedule B)* A *can deduct the amount of the mortgage assumed ($150,000 – 50,000 = $100,000). Consequently, the tax is not computed on the gross consideration, but rather on gross consideration less the continuing lien (that is, mortgage assumed).*

A *commercial building is sold to* A *for $725,000, comprised of*

*$400,000 in cash and the assumption by* A *of an existing*

*$325,000 mortgage. Since the consideration for the conveyance exceeds $500,000, the transfer tax must be computed on $725,000, and the continuing lien deduction is not applicable.*

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If a 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 deduction **does not include** the amount of the debt secured by that mortgage, lien, or other security interest, which is the subject of the conveyance.

**Conveyance of a leasehold grant**

The consideration paid to the grantor for the grant of a taxable lease is the present value of the right to receive the net rental payments for the term of the lease.

A discount rate equal to 110% of the federal long-term rate compounded semiannually, that was in effect 30 days prior to the date of transfer, is required to be used in determining the present value of the right to receive net rental payments for transfer tax purposes. If the taxpayer establishes (a) that a discount rate greater than 110% of the federal long-term rate is appropriate in his or her particular circumstances, and (b) that using a discount rate equal to 110% of the federal long-term rate results in a computation of consideration that exceeds the fair market value of the real property subject to the lease or sublease, the Tax Department will allow the use of a discount rate that results in a computation of consideration that is equal to the fair market value of such real property.

For a lease created for a term of less than 49 years that contains an option to purchase the real property, net rental payments for periods that occur after an option is no longer exercisable are not included in the calculation of consideration.

**Transfer or acquisition of a controlling interest**

A transfer of a controlling interest is deemed to have occurred when a grantor transfers a controlling interest to one or more grantees within a **three**-year period.

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**Real property situated partly within and partly outside the state**

When real property conveyed is situated partly within and partly outside the state of New York, the consideration subject to tax is the allocated portion of the total consideration attributable to the property situated within the State of New York.

A statement signed by both the grantor and grantee must be attached to Form TP-584 setting forth the total consideration for the conveyance and describing the method used to apportion the consideration to the real property situated within the state of

New York.

**Continuing lien deduction**

Tax Law, section 1402 provides that in the case of (1) a conveyance of a one-, two-, or three-family house and an individual residential condominium unit, or an interest therein or

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An acquisition of a controlling interest is deemed to have occurred when a grantee acquires a controlling interest from one or more grantors within a **three**-year period.

**Example:**

A *acquires a 10% interest in Partnership XYZ, which owns*

*New York real property, from* X *in December 1999. In March 2001,* A *acquires an additional 25% interest in Partnership XYZ from* X*. In January, 2002,* A *acquires from* Y *a 25% interest in Partnership XYZ. Since* A *acquired a total of 50% or more of the partnership interest in Partnership XYZ within a* ***three****-year period,* A *is deemed to have acquired a controlling interest. Therefore, a conveyance of real property by* X *and* Y *has occurred and* X *and* Y *will be liable for the payment of real estate transfer tax on their respective transfers of 35% and 25% interests.*

**Conveyance pursuant to a mortgage foreclosure**

A conveyance pursuant to a mortgage foreclosure or any other action governed by the provisions of the Real Property Actions and Proceedings Law, such as the enforcement of a mechanic’s lien pursuant to the Lien Law, Article 3, is subject to tax.

Form TP-584.1, Schedule E, Part I must be completed and attached to Form TP-584 in the case of such conveyances.

**Conveyance to a mortgagee or lienor in lieu of foreclosure**

A conveyance by a defaulting mortgagor or debtor to the mortgagee or lienor, or its agent, nominee or any entity owned in whole by that mortgagee or lienor, in lieu of an action to foreclosure a mortgage or lien, in exchange for cancellation of the debt secured by the mortgage or lien is subject to tax.

Form TP-584.1, Schedule E, Part II must be completed and attached to Form TP-584 in the case of such conveyances.

**Conveyance in lieu of or pursuant to a secured party’s enforcement of a lien**

A conveyance in lieu of or pursuant to a secured party’s enforcement of a lien, security interest or other rights on or in shares of stock in a cooperative housing corporation and/or associated proprietary lease(s), upon default by a debtor is subject to tax.

Form TP-584.1, Schedule E, Part III must be completed and attached to Form TP-584 in the case of such conveyances.

A conveyance in lieu of or pursuant to a secured party’s enforcement of a lien, security interest, or other rights on or in shares of stock, partnership interests, or other instruments, upon default by a debtor (that is, the transfer or acquisition of a controlling interest in an entity with an interest in real property), is subject to tax.

Form TP-584.1, Schedule E, Part IV must be completed and attached to Form TP-584 in the case of such conveyances.

**Conveyance which consists of a mere change of identity or form of ownership or organization**

Tax Law, section 1405(b)6 provides an exemption from the real estate transfer tax to the **extent** a conveyance consists of a mere change of identity or form of ownership or organization where there is no change in beneficial interest.

Form TP-584.1, Schedule F must be completed and attached to Form TP-584 in the case of such conveyances.

**Conveyance for which credit for tax previously paid will be claimed**

1.

A grantor will be allowed a credit against the tax due on the conveyance of real property to the extent the tax was paid by the grantor on a prior leasehold grant of all or a portion of the same real property or on the granting of an option or contract to purchase all or a portion of the same real property, by the grantor.

Form TP-584.1, Schedule G, Part I must be completed and attached to Form TP-584 to support any credit claimed.

A credit will be allowed upon the original conveyance of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the cooperative corporation or cooperative plan sponsor, provided the first conveyance of shares of stock takes place within

24 months from the conveyance of the real property to the cooperative housing corporation. The credit is limited to the proportionate part of the tax paid when the real property was conveyed to the cooperative housing corporation, to the extent the conveyance would have otherwise effectuated a mere change of identify or form of ownership of the property and not a change in the beneficial ownership.

Form TP-584.1, Schedule G, Part II, must be completed and attached to Form TP-584 to support any credit claimed.

2.

**Who must pay the real estate transfer tax**

The real estate transfer tax is to be paid by the grantor. However, if the grantor fails to pay the transfer tax at the time required or if the grantor is exempt from the tax, the grantee shall have the duty to pay the tax.

In the case where the grantee has the duty to pay the transfer tax because the grantor has failed to pay, the tax becomes the joint and several liability of the grantor and the grantee.

**Imposition of additional tax**

An additional tax is imposed on each conveyance of residential real property or interest therein where the consideration for the entire conveyance is one million dollars or more. *Residential real property* means the following premises that are or may be used in whole or in part as a personal residence at the time of conveyance: a one-, two-, or three-family house; an individual residential condominium unit; a residential cooperative apartment. The rate of tax is one percent of the consideration or part thereof attributable to the residential real property.

The additional tax is to be paid by the grantee at the same time and in the same manner as the real estate transfer tax. If the grantee is exempt from tax, the grantor will have the duty to pay the additional tax.

**Examples:**

A *conveys to* B *a* ***three-family house*** *for a consideration of*

*$1,000,000. Since the three-family house constitutes residential real property, the additional tax at a rate of one percent is imposed on the conveyance.*

A *conveys to* B *a two-story building which has a commercial business on the first level and a residence on the second level for a consideration of $1,500,000. Since the real property includes a* ***one-family*** *residence, the additional tax at a rate of one percent is imposed on the proportionate amount of consideration attributable to the residential real property.*

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(3) *A sponsor of a condominium plan conveys to X corporation three* ***residential*** *condominium units. The consideration paid for Unit 1 is $750,000. The consideration paid for Unit 2 is*

*$900,000, and the consideration paid for Unit 3 is $1,250,000. Since the consideration paid for Unit 3 is one million dollars or more, the additional tax is imposed on the conveyance of that unit. However, the additional tax does not apply to Units 1 or 2.*

**Penalties**

Any grantor or grantee failing to file a return or to pay any tax within the time required shall be subject to a penalty of 10% of the amount of tax due plus an interest penalty of 2% of such amount for each month of delay or fraction thereof after the expiration of the first month after such return was required to be filed or the tax became due. However, the interest penalty shall not exceed 25% in the aggregate.

If the Commissioner of Taxation and Finance determines that such failure or delay was due to reasonable cause and not due to willful neglect, the commissioner shall remit, abate, or waive all of the penalty and the interest penalty.

**Interest**

Daily compounded interest will be charged on the amount of the tax due not paid within the time required.

If it is determined that the tax has been overpaid, and

Form TP-592.2, *Claim for Refund,* is submitted within two years from the date of payment, interest shall be allowed and paid on the refund at the rate set pursuant to Tax Law, section 1416.

**Line instructions for Schedule B**

**Part I**

**Line 1 —** Enter the amount of consideration. If in Schedule A, items e, f, or g where checked, complete the applicable Schedule E, F, or G of Form TP-584.1, that must be attached to

Form TP-584. If you are claiming a total exemption from tax, check the ***Exemption claimed*** box. Do not complete lines 2 through 6. Instead, go to Part III on page 2.

**Line 2 —** Enter continuing lien deduction if applicable (see page 3 of these instructions).

**Line 5 —** Enter the amount of tax credit claimed. Complete and attach a copy of Form TP-584.1, Schedule G, along with a copy of the original TP-584 (previously filed) and proof of payment to support the credit claimed.

**Part III**

Check the appropriate box(es) if you are claiming a total exemption from the transfer tax.

**Instructions for Schedule C**

**Who must complete Schedule C**

The *Credit Line Mortgage Certificate* must be completed and filed for all transfers of a fee simple interest in real property. Please check the appropriate box in Schedule C if this schedule is required.

**Signatures required for Schedules A, B, and C**

Both the grantor(s) and the grantee(s) must sign Form TP-584 on page 3. If there is not adequate space for all persons to sign, a separate signature sheet may be used and attached to

Form TP-584. A separate signature area is provided on page 4 of Form TP-584 for the information contained in Schedule D.

**Instructions for Schedule D**

**Note:** A separate signature area is provided for Schedule A, B, and C on page 3 of Form TP-584. The signature area on page 3 of Form TP-584 does not apply for purposes of Schedule D.

**Multiple transferor(s)/seller(s)** - No deed for a fee simple interest in real property by an individual, estate, or trust shall be recorded by any recording officer unless **each** transferor/seller listed in Schedule A of Form TP-584 (or an attachment to Form TP-584) has signed Schedule D of Form TP-584 **or** presents to the recording officer Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form,* and pays the full amount of estimated personal income tax due, if any.

**Real property situated partly within and partly outside New York State**

When the real property being sold or transferred is situated partly within and partly outside of New York State, only the property situated inside New York State is subject to the requirements of Tax Law, section 663.

**Who must complete Schedule D**

This schedule is to be executed upon the sale or transfer of a fee simple interest in real property 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.

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If you are a resident of New York State at the time of the sale or transfer, you must complete Part I of Schedule D (see page 6 of these instructions).

If you are a nonresident of New York State at the time of sale or transfer, you must complete Part II of Schedule D (see page 6 of these instructions).

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**Definition of terms for Schedule D**

*Transferor/seller* means the individual, estate, or trust listed as a grantor/transferor on Form TP-584, Schedule A (or an attachment to Form TP-584) making the sale or transfer of a fee simple interest in real property.

*Sale or transfer of real property* means the change of ownership of the fee simple interest in real property by any method.

*Principal residence* means your main home within the meaning of IRC section 121 and for which you can exclude the gain for federal income tax purposes. Usually the home you live in most of the time is your main home and can be, but is not limited to: a house, houseboat, mobile home, or condominium.

**New York State *resident* and *nonresident* defined**

You may have to pay income tax as a New York State resident even if you are not considered a resident for other purposes. For income tax purposes, your resident status depends on where you are domiciled and where you maintain a permanent place of abode.

**In general, your** *domicile* is the place you intend to have as your permanent home. Your domicile is, in effect, the **state** where your permanent home is located. It is the place you intend to return to whenever you may be away (as on vacation abroad, business assignment, education leave, or military assignment).

**You can have only one domicile.** Your domicile is not changed until you can demonstrate that you have abandoned your previous domicile and established a new permanent domicile.

If you move to a new location but intend to stay there only for a limited amount of time (no matter how long), your domicile does not change.

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A *permanent place of abode* is a residence (a building or structure where a person can live) you permanently maintain, whether you own it or not, and usually includes a residence your husband or wife owns or leases. A place of abode is not permanent if you maintain it only during a temporary or limited period of time for a particular purpose.

**Resident individual**

For purposes of estimated personal income tax under Tax Law, section 663, you are a New York State resident if at the time of the sale or transfer of real property:

1. Your domicile is New York State; **or**
2. Your domicile is **not** New York State, but you maintained a permanent place of abode in New York State for more than

11 months of the tax year and have spent **184 days or more** in New York State during the tax year. However, if you are a member of the armed forces and your domicile is not New York State, you are not a resident under this definition.

**Nonresident individual**

For purposes of estimated personal income tax under Tax Law, section 663, you are a New York State nonresident if at the time of the sale or transfer of real property you were not a resident.

For more information on residency, see Publication 80, *General Income Tax Information for New York State Residents*, and Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

**Resident estate and trust**

For purposes of estimated personal income tax under Tax Law, section 663, if a decedent was domiciled in New York State at the time of his or her death, his or her estate is a resident estate and any trust created by his or her will is a resident trust. If an irrevocable trust consists of property of a person domiciled in New York State when such property was transferred to the irrevocable trust, it is a resident trust. The term *resident trust* also includes (1) any revocable trust consisting of property of a person

domiciled in New York at the time such property was transferred to the trust if it has not later become irrevocable and (2) any revocable trust that has later become irrevocable if the trust consists of property of a person domiciled in New York when it became irrevocable. The residence of the fiduciary does not affect the status of an estate or trust as a resident or nonresident.

**Nonresident estate or trust**

For purposes of estimated personal income tax under Tax Law, section 663 a nonresident estate or trust means an estate or trust that is not a resident estate or trust at the time of the sale or transfer of real property.

**Note:** A resident of New York State is not required to pay estimated income tax under Tax Law, section 663. However, a resident may still be required to pay estimated income tax under Tax Law, section 685(c), but not as a condition of recording a deed.

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

New York State nonresident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584) must sign Part II of Schedule D to certify that the transferor/seller is a nonresident of New York State at the time of the sale or transfer, **and** to claim exemption from payment of estimated personal income tax as provided for under Tax Law, section 663. Check the box of the exemption which applies to this sale or transfer of real property. If any one exemption applies to a transferor/seller, that transferor/seller is not required to pay estimated personal income tax to the state of New York under Tax Law, section 663. If more signature space is needed, please photocopy Schedule D and submit as many schedules as necessary to accommodate all nonresident transferor/sellers.

**Note:** If there are one or more transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), each transferor/seller who is claiming exemption from the payment of estimated personal income tax under section 663 of the Tax Law must sign Part II. **Each** nonresident transferor/seller who does not meet one of the exemptions as listed in Part II of Schedule D must complete and submit Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form,* and pay the full amount of estimated personal income tax, if any, to the recording officer at the time the deed is presented for recording.

**Nonresident exemption for principal residence**

If the property being sold or transferred qualifies in total as the principal residence of a nonresident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), only the transferor(s)/seller(s) who can claim this real property as a principal residence (within the meaning of section 121 of the IRC) at the time of the sale or transfer can sign and certify the exemption from the estimated personal income tax provision under Tax Law, section 663(c)(1).

**Note:** Property that qualifies in total as the principal residence of the transferor/seller qualifies for the exemption even if part of the gain is not excluded under IRC section 121 because the gain exceeds the amount of the exclusion provided for in that section.

Transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584) who cannot claim this real property as their principal residence at the time of sale or transfer should not sign Part II of Schedule D. The transferors/seller(s) must instead complete and submit Form IT-2663, to the recording officer at the time the deed is presented for recording with full payment of estimated personal income tax due, if any.

**Property used in part as a principal residence**

If a portion of the property being sold or transferred qualifies as the principal residence of a nonresident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584) and a portion of the property does not qualify, **do not** sign Part II of Schedule D. Instead, each nonresident transferor/seller listed in Schedule A of Form TP-584 (or an attachment to Form TP-584) must complete and submit Form IT-2663 to the recording officer at the time the deed is presented for recording with full payment of estimated personal income tax due, if any.

**Specific Instructions for Schedule D**

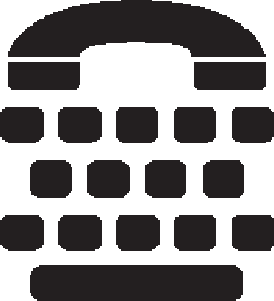
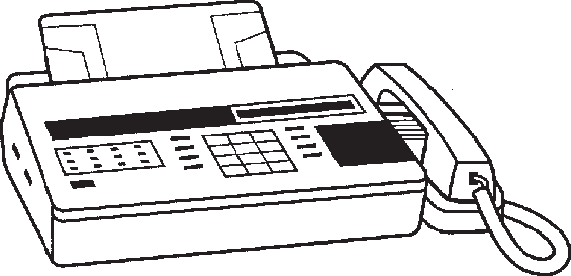
**Part I — New York State residents**

New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), must sign Part I of Schedule D to certify that the transferor/seller is a resident of New York State (as defined above) at the time of sale or transfer of the real property. If one or more transferor(s)/seller(s) listed in Schedule A is a New York State resident, **each** resident transferor/seller must sign Part I of Schedule D. If more signature space is needed, please photocopy Schedule D and submit as many schedules as necessary to accommodate all resident transferor(s)/seller(s).

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