



Recent Development Affecting New York City Transfer Taxes on Transfers of Condominium Units

The New York City real property transfer tax has separate rates for residential and commercial transactions. Until recently, it was believed that a transfer of two or more condominium units was considered to be a commercial transaction, subject to the higher rates. The New York City Tax Appeals Tribunal (TAT) recently upheld three administrative law judge (ALJ) determinations that concluded that a sale of multiple residential condominium units from the same seller to the same buyer (whether in a single contract or multiple contracts) is subject to the residential rate. The TAT commissioners agreed with the ALJs' determination that the transfer of multiple residential condominium units that constitute a single residence (whether or not the units are or can be physically combined) should not be treated as a bulk sale that is subject to the higher tax rate. However, the TAT

declined to adopt the ALJs' conclusions that no sale of multiple residential condominium units from the same seller to the same buyer could ever be subject to the higher tax rate.

See *In the Matter of Cambridge Leasing Corporation*, NYC TAT, Decision No. TAT(E)03-11 (RP), 09/12/2006 ; *In the Matter of David Gruber*, NYC TAT, Decision Nos. TAT(E)03-7(RP); TAT(E)03-8(RP); TAT(E)03-9(RP), 09/12/2006 ; and *In the Matter of Daniel and Sheila Rosenblum*, NYC TAT, Decision No. TAT(E)01-31 (RP), 09/12/2006.

If you have recently entered into a transaction involving multiple condominium or cooperative units, please contact us to determine whether you may be entitled to a refund of excess transfer tax paid to the New York City Department of Finance.

For more information, contact:

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