



**FINANCE**  
**NEW • YORK**  
THE CITY OF NEW YORK  
DEPARTMENT OF FINANCE

June 25, 2003

**Re: Ruling Request**  
**Real Property Transfer Tax**

FLR #034805-021

Dear

This letter is in response to your request dated May 28, 2003 for a ruling on behalf of (the "Seller") that the seller's conveyance of a one-family house is subject to a rate of the Real Property Transfer Tax (the "RPTT") applicable to one, two or three-family houses.

**FACTS**

The Seller is the owner of a single-family house (the "Property ") in New York City (the "City") located in the borough of . The Seller has entered into a contract to sell the Property for a sales price of \$ . You have represented that the Department of Finance (the "Department") classifies the Property as a Class A-1 one-family dwelling for Real Property Tax purposes and the Seller has used the Property exclusively for residential purposes. In 19 , the Department of Buildings issued a Certificate of Occupancy ("C of O") for the Property in connection with certain alterations made thereto. That C of O describes the Property as a "One (1) family and doctor's office in conjunction."

**ISSUE**

You have requested a ruling as to whether the Seller's conveyance of the Property is subject to the reduced rate of 1.425 percent applicable to the conveyance of a one, two or three family house where the consideration is more than \$500,000.

## CONCLUSION

Based on the facts presented and the representations and documents submitted, we have determined that the Seller's conveyance of the Property is subject to the rate of 1.425 percent applicable to the conveyance of a one, two or three-family house where the consideration is more than \$500,000.

## DISCUSSION

Section 11-2102 of the Administrative Code of the City of New York (the "Code") imposes the RPTT on the conveyance of real property or the transfer of an economic interest in real property located in the City, where the consideration for the conveyance or transfer exceeds \$25,000. For a conveyance of one, two or three-family house or an individual residential condominium unit, the RPTT is imposed at a rate of one percent if the conveyance is \$500,000 or less, and a rate of 1.425 percent if the consideration is more than \$500,000. Code § 11-2102(a)(9)(i).

Based upon your representations that (1) the Department classifies the Property as a Class A-1 one family dwelling, (2) the Seller has used the Property exclusively for residential purposes, and (3) the consideration is \$ , the Seller's conveyance of the Property is subject to the 1.425 percent rate applicable to a one, two or three-family house. The mention of a doctor's office in the Property's C of O does not alter this conclusion. In the absence of information suggesting the Department's real property tax classification is incorrect, that classification, and not the C of O, is controlling for RPTT purposes. Your representation as to the Seller's actual use of the Property is consistent with the Department's Real Property Tax classification and there is no information suggesting that the Department's classification is incorrect.

The Department reserves the right to verify the information submitted.

Sincerely,

Devora B. Cohn  
Associate Commissioner  
For Legal Affairs