



**Department of Finance**

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Michael Smilowitz  
General Counsel/Deputy  
Commissioner

February 3, 2026

XXXXXXX  
XXXXXXXXX  
XXXXXXX, XXXXX XXXXX

**RE: Request for Letter Ruling  
Real Property Transfer Tax  
FLR 25-5035 – RPTT**

Dear XXXXXXX:

This letter is in response to your request for a ruling, dated September 22, 2025, regarding which New York City Real Property Transfer Tax (“RPTT”) rate applies to the transfer of shares associated with two cooperative units in a sale described below. The New York City Department of Finance (“Department”) received along with the request for a ruling, a power of attorney, contract of sale (the “Sales Contract”), certificates of shares, relevant portions of the proprietary leases, and a redacted copy of New York City letter ruling FLR 14-4963 (June 15, 2015).

**FACTS**

On or about XXXXXX X, 2025, XXXXXXX and XXXXXXXXX (together referred to as “Taxpayer” or “Seller”) sold shares associated with residential cooperative units Apartment XX (“Apt. XX” or a “Residential Unit”) and Servants’ Room #X (“SRX”), located at XXX XXXX XXXXXXX, New York, New York 10022, to XXXXXXXXXXXXXXX and XXXXXXXXXXXXXXX (together referred to as “Purchaser”), for \$XXXXXXX. Apt. XX and SRX have separate stock certificates and proprietary leases. Taxpayer represents through its attorney that Apt. XX, is a residential apartment unit described as “an ordinary multi-room apartment.” SRX is a non-contiguous unit designated as a “Servants’ Room” in the proprietary lease. It consists of a main room and bathroom but has no cooking facilities. Use and transferability of SRX are severely restricted. Paragraph 16(g) of SRX’s proprietary lease provides:

The shares and proprietary leases covering the servants’ room designated [SRX] may only be held by a party who is or

simultaneously will become a lessee of a multi-roomed apartment and who shall agree to use said servants' room as living quarters for a domestic employee or for a family member as defined in Section 14 [of the proprietary lease] and for no other purpose without Directors' [of the cooperative] consent.

Shares associated with Apt. XX and SRX were conveyed to Purchaser through the same Sales Contract. Paragraph 1.7 of the Sales Contract defines the "Unit" number being sold as "Apt. XX and SRX" and paragraph 1.9 states that the "Unit" is made up of 160 shares, 150 for Apt. XX and 10 for SRX. Paragraph 1.16 defines the "Purchase Price" as \$XXXXXXX and does not allocate between Apt. XX and SRX.

### **ISSUE**

Is the Taxpayer's contemporaneous sale of shares associated with a non-contiguous servants' apartment and a standard single-family apartment in the same building to the same purchaser subject to the "bulk sale" RPTT rate or the lower rate applicable to the transfers of individual cooperative units?

### **CONCLUSION**

The sale of shares associated with two cooperative units described above should be treated as a sale of shares associated with an individual cooperative unit subject to the lower tax rate schedule.

### **DISCUSSION**

Section 11-2102 of the Administrative Code of the City of New York (the "Code") states that a New York City tax is imposed on a transfer of real property if consideration for the transfer exceeds \$25,000. Code Section 11-2102(b)(1)(B)(i) states that the RPTT rate is 1 percent of the consideration for conveyances of an economic interest in a one, two, or three-family house, an individual cooperative apartment, an individual residential condominium unit or an individual dwelling unit in a dwelling that is to be occupied or is occupied as the residence or home of four or more families living independently of each other if the consideration is \$500,000 or less, and 1.425 percent if the consideration is more than \$500,000. Code Section 11-2102(b)(1)(B)(ii) states that the rate of RPTT is 1.425 percent of the consideration for all other conveyances if the consideration is \$500,000 or less, and 2.625 percent if the consideration is more than \$500,000.

The Department applies the higher transfer tax rate schedule to a transaction, often referred to as a "bulk sale," when a grantor transfers more than one residential condominium or cooperative unit to the same grantee. *See generally Emerson Unitrust v. Comm'r of Fin. of City of New York*, 16 A.D.3d 201 (1st Dept 2005). Finance Memorandum 00-6REV, dated September 8, 2011, clarifies further that the facts and circumstances of a particular case will determine whether a bulk sale has taken place. In *Matter of Rosenblum*, TAT (E) 2001-31 (RP), the New York City Tax Appeals Tribunal (the "Tribunal") addressed the question of the rate applicable to the

transfer of a primary residential condominium unit and a “suite unit” located on a separate floor from the residential condominium unit. The Tribunal determined that the sale constituted the transfer of an individual residential condominium unit, and not a bulk sale, and was subject to the lower tax rate schedule. In reaching its determination in *Rosenblum*, the Tribunal concluded that the suite unit was an integral part of the primary residential condominium unit and was not a separate individual residential unit for the purposes of applying the RPTT. The Tribunal relied on the fact that, except in the case of the condominium’s sponsor, ongoing ownership of a residential unit was a prerequisite to ownership of a suite unit. The Tribunal further relied on the limited uses of the suite units proscribed by the condominium’s by-laws, specifically noting the suite units (i) may only be used for residential purposes; (ii) may only be occupied by domestic employees, family members and non-paying guest; and (iii) may be occupied by family members and guest for periods not to exceed three months without prior written consent from the condominium board. The Tribunal also noted that the presence of a kitchenette and bathroom in the suite unit is not determinative of whether such unit is an integral part of the same residence as the individual residential unit.

In the present case, the Taxpayer’s situation is substantially similar to the facts presented in *Rosenblum*, though the present case relates to units in a cooperative, rather than a condominium. SRX is a two-room unit consisting of a main room and a bathroom and which is not contiguous to Apt. XX. The terms of the proprietary leases greatly restrict who may hold the shares and such lease of SRX, including the following requirements similar to those present in *Rosenblum*: (i) such shares and lease for SRX can only be held by a party who is the proprietary lessee of one of the buildings residential units; (ii) SRX may only be occupied by a domestic employee or a family member, as defined in the proprietary leases; and (iii) consent from the building’s directors is required for any other use not explicitly described in the proprietary leases. For these reasons, the ability to hold a proprietary lease and shares corresponding to SRX are substantially restricted and tied to persons who hold a proprietary lease and shares corresponding to the Residential Unit. Therefore, based on the criteria articulated in *Rosenblum*, SRX is an integral part of the rights associated with the proprietary lease and shares corresponding to Residential Unit. While *Rosenblum* suggests that presence of a bathroom and kitchenette in the unit is not outcome-dispositive in this analysis, it is noteworthy that SRX does not contain a kitchenette. This office has previously issued letter rulings following the reasoning of *Rosenblum*. See FLR No.: 22-5022 (July 21, 2022); FLR 14-4965-RPTT (June 15, 2015); FLR-14-4963-RPTT (June 15, 2015).

In light of the Tribunal’s *Rosenblum* decision and this office’s previous letter rule, based on the above facts and representations with respect to the substantial restrictions on who may hold a proprietary lease and shares in and use and occupy SRX, the sale of shares associated with Apt.XX and SRX, should be treated as the sale of shares associated with an individual cooperative unit subject to the lower tax rate schedule for RPTT provided in Code section 11-2102(b)(1)(B)(i). Given that the consideration paid exceeds \$500,000, the applicable RPTT rate would be 1.425 percent.

Notwithstanding the analysis and conclusions discussed above, the Department reserves the right to verify any information submitted. Please advise the Department of any material change in the facts presented.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Smilowitz". The signature is fluid and cursive, with the first name "Michael" being more legible than the last name "Smilowitz".

Michael Smilowitz

JB