



Industrial Development Agencies and Authorities in Transportation Districts No Longer Exempt from the Additional Mortgage Recording Tax

This TSB-M explains recent legislation providing that an industrial development agency or industrial development authority located in a county that is part of a transportation district is not exempt from the additional mortgage recording tax.

Chapter 394 of the Laws of 2016 amended various sections of the General Municipal Law, Public Authorities Law, and Tax Law related to the mortgage recording tax exemption for industrial development agencies and industrial development authorities (IDAs¹) located in a county that is part of a transportation district. Prior to the amendments, these IDAs were exempt from all mortgage recording taxes, including the basic tax, special additional tax, additional tax, and any local mortgage recording tax imposed by some cities and counties. Chapter 394 of the Laws of 2016 is effective for mortgages recorded on or after September 30, 2016. However, Governor’s Approval Memorandum #6 of 2016 indicates that the Legislature has agreed to enact legislation that will change the effective date of this new law to July 1, 2017.

Under the new law, a mortgage of real property executed, given, made, transferred, or assigned by or to an IDA, an agent of an IDA, or an entity receiving financial assistance from an IDA, is not exempt from the additional mortgage recording tax imposed by Tax Law section 253(2) when the real property that is subject to the mortgage is located in a county that is part of a transportation district. Accordingly, when an IDA is a party to a mortgage of real property located in the following counties, it is not exempt from the additional mortgage recording tax:

Capital District Transportation Authority

- Albany
Rensselaer
Saratoga
Schenectady

Central New York Regional Transportation District

- Cayuga
Oneida
Onondaga
Oswego

Metropolitan Commuter Transportation District

- Bronx
Dutchess
Kings
Nassau
New York
Orange
Putnam
Queens
Richmond
Rockland
Suffolk
Westchester

Niagara Frontier Transportation District

- Erie
Niagara

Rochester-Genesee Transportation District

- Genesee
Livingston
Monroe
Ontario
Orleans
Seneca
Wayne
Wyoming

IDAs not located in these counties continue to be exempt from all mortgage recording taxes.

1 For purposes of this memorandum, these agencies and authorities are both referred to as an IDA or IDAs.

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.