



Department of Taxation and Finance

Technical Memorandum
TSB-M-19(2)R
Real Estate Transfer Tax
November 4, 2019

Changes to the Filing Requirements for the Real Estate Transfer Tax on Certain Conveyances Involving LLCs

Effective September 13, 2019, when a limited liability company (LLC) is the grantor or grantee in a deed transfer of a building containing one- to four- family dwelling units, the following forms cannot be accepted for filing unless accompanied by documentation that identifies all members, managers and other authorized persons¹ of the LLC:

- Form TP-584, *Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax*; and
- Form TP-584-NYC, *Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax for the Conveyance of Real Property Located in New York City*.

Documentation Required for Filing

Form TP-584 or Form TP-584-NYC must be accompanied by a list of the names and addresses of all members, managers and other authorized persons of the LLC. If any member of the LLC is itself an LLC or other business entity, a list of all shareholders, directors, officers, members, managers and/or partners of that LLC or other business entity must also be provided until ultimate ownership by natural persons is disclosed.

Example: On September 16, 2019, RRP, LLC, a single-member LLC, is the grantor in a deed transfer of a two-family house to an individual. RRP, LLC's single member is ABC Partnership. ABC Partnership has four individual partners and one partner, RRP2, LLC, that is a multiple-member LLC. RRP2, LLC has three individual members. Provide all required documentation for:

- all managers and other authorized persons of RRP, LLC;
- ABC Partnership;
- ABC Partnership's four individual partners;
- RRP2, LLC;
- RRP2, LLC's three individual members;
- all officers and directors of ABC Partnership; and
- all officers, directors, and managers of RRP2, LLC.

¹ Tax Law §1409(a).

Partial Commercial Use

The documentation requirements apply when the applicable property is partially used for commercial purposes.

Example: On September 13, 2019, MP, LLC, a multiple-member LLC, is the grantor in a deed transfer of a four-family house. Three of the units are used as residences, and one unit is used for commercial purposes as a retail store. The documentation requirements apply.

Definitions

Authorized person means a person, whether or not a member, who is authorized by the operating agreement, or otherwise, to act on behalf of an LLC or foreign LLC.

Natural person means a human being, as opposed to an artificial person, who is the beneficial owner of the real property. A natural person does not include: a corporation or partnership, natural person(s) operating a business under a d/b/a (doing business as), an estate (such as the estate of a bankrupt or deceased person), or a trust.

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.