Summer 2019

Estate Planning Update Summer 2019 - New York Updates: Changes to New York Real Property Transfer Taxes

Effective July 1, 2019, many residential and nonresidential property transfers are now subject to an increase in the New York transfer tax and the supplemental mansion tax. The state's real estate transfer tax law has been amended, resulting in an increase of the New York state transfer tax from 0.4 percent to 0.65 percent of the purchase price for the following types of property conveyances: (i) property transfers with a purchase price of $3 million or greater and (ii) nonresidential properties with a purchase price of $2 million or greater. The tax rate for residential and nonresidential properties with purchase prices of less than those stated herein, respectively, will remain unchanged at 0.4 percent. The mansion tax is a separate tax imposed on transfers of residential real property located in New York State. Under current law, the tax is equal to 1 percent of the consideration if the consideration is $1 million or more. As of July 1, 2019, an increased mansion tax will apply to transfers of New York City residential property if the consideration is $2 million or more. As shown in the chart below, the tax rate will begin at 1 percent and increase to a top rate of 3.9 percent.

Amount of Consideration	Mansion Tax Rate
$1 million-$1,999,999.99	1%
$2 million-$2,999,999.99	1.25%
$3 million-$4,999,999.99	1.5%
$5 million-$9,999,999.99	2.25%
$10 million-$14,999,999.99	3.25%
$15 million-$19,999,999.99	3.5%
$20 million-$24,999,999.99	3.75%
More than $25 million	3.9%