

1989 Amendment to the
Real Estate Transfer Tax

On July 1, 1989, Chapter 238 of the Laws of 1989 amended that section of the Tax Law related to the timely payment of the Real Estate Transfer Tax. Specifically, new section 1410(a) of Article 31 of the Tax Law, as added by Chapter 61 of the Laws of 1989, was amended.

As a result of the amendment made by Chapter 238, it is necessary to revise the information set forth in TSB-M-89-(3)-R concerning when the transfer tax must be paid.

Section 1410(a) of the Tax Law provides that where an instrument effecting the conveyance of real property is to be recorded and Form TP-582, Tentative Assessment and Return, is not required to be filed for gains tax purposes with respect to the current conveyance or transfer, the transfer tax must be paid no later than 30 days after the delivery of the conveying instrument to the grantee. Chapter 238 amends section 1410(a) to provide that, in all other cases, the transfer tax must be paid no later than the 15th day after the delivery of the instrument effecting the conveyance by the grantor to the grantee. Please note this supercedes the payment information in TSB-M-89-(3)-R, which stated that in such cases the transfer tax was due no later than the first business day after the delivery of the instrument effecting the conveyance by the grantor to the grantee. The date of the instrument will continue to be presumed to be the date of the instrument's delivery.

Chapter 238 of the Laws of 1989 contains a provision that the amendment to section 1410(a) of the Tax Law shall expire on April 1, 1990, and upon such date the provision of such section stating that the transfer tax must be paid no later than 15th day after the delivery of the instrument effecting the conveyance by the grantor to the grantee shall revert to and be read as follows: The transfer tax must be paid no later than the first business day after the delivery of the instrument effecting the conveyance by the grantor to the grantee, as such section was set forth in Chapter 61 of the Laws of 1989 (see TSB-M-89-(3)-R).