



Additional Real Estate Transfer Tax - Application When More Than Three Condominium or Cooperative Units are Conveyed to a Single Purchaser

Introduction

In addition to the real estate transfer tax imposed by section 1402 of the Tax Law, section 1402-a imposes an *additional tax* that is commonly referred to as the *mansion tax*. The additional tax applies to any conveyance of residential real property or interest in residential real property when the consideration for the entire conveyance is \$1 million or more.

This bulletin explains how the additional tax applies to the transfer of more than three separate condominium or cooperative units to a single purchaser or to related purchasers.

(For information on other related topics, see [Publication 577, FAQs Regarding the Additional Tax on Transfers of Residential Real Property for \\$1 Million or More](#).)

Discussion

Residential real property means any premises that are or may be used in whole or in part as a personal residence at the time of conveyance, and includes a one-, two-, or three-family house, an individual condominium, or a cooperative apartment unit.

Under this definition, a four-family house would not be considered residential real property. However, the additional tax applies to an individual condominium, or a single cooperative unit, and makes no distinction for the sale of multiple units. Therefore, **unless the condominium or cooperative units are combined or are used in conjunction with one another**, they are treated separately in determining the additional tax. Accordingly, it does not matter whether more than three units are transferred.

Example: The sponsor of a cooperative project conveys four individual cooperative apartments to one grantee. The apartments are in the same building but have not been combined and are not used in conjunction with one another. The purchase price of each apartment is treated separately in determining whether the \$1 million threshold for imposing the additional tax is met.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

References and other useful information

Tax Law: Section 1402-a

Regulations: Section 575.3

Publications:

[Publication 577, FAQs Regarding the Additional Tax on Transfers of Residential Real Property for \\$1 Million or More](#)