

New York State Department of Taxation and Finance  
**Office of Tax Policy Analysis**  
**Technical Services Division**

TSB-M-05(4)R  
Mortgage Recording Tax  
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**Increase in the Mortgage Recording Tax  
in the Metropolitan Commuter Transportation District**

In counties located in the Metropolitan Commuter Transportation District (MCTD), mortgages are currently subject to the *basic*, *special additional* and *additional* mortgage recording taxes. In certain localities, mortgages may also be subject to local mortgage recording taxes.

Governor George E. Pataki signed into law legislation that amended section 253.2(a) of Article 11 of the Tax Law, Tax on Mortgages, in relation to increasing the additional mortgage recording tax in the MCTD. Effective for mortgages presented for recording on or after **June 1, 2005**, the additional mortgage recording tax rate for counties located in the MCTD will increase from \$.25 to \$.30 for each \$100.00 secured by the mortgage. This change impacts mortgages on real property located in New York City, and in Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties. The new mortgage recording tax rates for counties and cities in the MCTD are summarized below.

**New York City counties of Bronx, Kings, New York, Queens and Richmond**

	<u>New York City tax</u>	<u>Basic tax</u>	<u>Special additional tax</u>	<u>Additional tax</u>	<u>Total</u>
-All mortgages securing less than \$500,000	\$1.00	\$.50	\$.25	<b>\$.30</b>	\$2.05
-Mortgages of one-, two-, or three-family houses and individual residential condominium units, securing \$500,000 or more	\$1.125	\$.50	\$.25	<b>\$.30</b>	\$2.175
-All other mortgages securing \$500,000 or more	\$1.75	\$.50	\$.25	<b>\$.30</b>	\$2.80

**Other MCTD counties and cities**

<u>Taxing jurisdiction</u>	<u>Local tax</u>	<u>Basic tax</u>	<u>Special additional tax</u>	<u>Additional tax</u>	<u>Total</u>
Dutchess County		\$.50	\$.25	<b>\$.30</b>	\$1.05
Nassau County		\$.50	\$.25	<b>\$.30</b>	\$1.05
Orange County		\$.50	\$.25	<b>\$.30</b>	\$1.05
Putnam County		\$.50	\$.25	<b>\$.30</b>	\$1.05
Rockland County	\$.25	\$.50	\$.25	<b>\$.30</b>	\$1.30
Suffolk County		\$.50	\$.25	<b>\$.30</b>	\$1.05
Westchester County (outside Yonkers)	\$.25	\$.50	\$.25	<b>\$.30</b>	\$1.30
Yonkers*	\$.75*	\$.50	\$.25	<b>\$.30</b>	\$1.80

\* The local tax shown for Yonkers is comprised of the \$.25 Westchester County tax plus \$.50 Yonkers tax.

### **Distribution of proceeds from additional tax**

The proceeds from the additional mortgage recording tax, after deducting the necessary expenses of the recording officer, will be paid over to the Metropolitan Commuter Transportation Authority.

### **Mortgages on residential property**

If the mortgage creates a lien on real property principally improved or to be improved by a one- or two-family residence or dwelling, the first \$10,000 of the principal amount secured by the mortgage is not subject to the additional mortgage recording tax.

### **Mortgages covering properties located in more than one locality**

In certain cases, mortgaged property may be located entirely in New York State but in more than one locality. For example, the mortgaged property may be located in two or more counties in and outside the MCTD. In such cases, the combined rates of tax will vary. In cases where the tax rates vary, a taxpayer may elect to compute and pay the tax as if the property were located entirely in the locality that is authorized to collect the greatest amount of tax. Alternatively, the taxpayer may file Form MT-15, *Mortgage Recording Tax Return*, and compute the mortgage recording tax at the applicable rate in each locality.

### **Effect of New York City aggregation clause**

For purposes of determining the tax rate under paragraph D of section 253-a.1 of the Tax Law, for mortgages on real property located in New York City, there is a rebuttable presumption that all mortgages offered for recording within a period of twelve consecutive months having the same or related mortgagors must be aggregated. In cases where this aggregation clause is applied to a mortgage recorded prior to June 1, 2005, and a mortgage recorded on or after June 1, 2005, the additional tax imposed under section 253.2(a) at the higher MCTD rate will not apply to the mortgage recorded prior to June 1, 2005.

### **Refunds**

To the extent mortgage recording taxes have been paid at the higher MCTD rate for mortgages recorded prior to June 1, 2005, taxpayers may claim a refund by filing Form MT-15.1, *Mortgage Recording Tax Claim for Refund*. Form MT-15.1 must be filed with the Tax Department within two years of the date the erroneous payment of taxes was received by the recording officer. To obtain Form MT-15.1, download a copy from our Web site at [www.nystax.gov](http://www.nystax.gov). The form is also available by fax at 1 800 748-FORM (3676), or you can call 1 800 462-8100 to receive a copy by mail.

For questions regarding the mortgage recording tax, call 1 888 698-2914.