



## INCREASE IN NEW YORK REAL PROPERTY TRANSFER TAXES, INCLUDING “PROGRESSIVE MANSION TAX”

April 10, 2019

As part of the 2019/2020 New York State Budget Bill that was passed, New York included a progressive mansion tax with a top tax rate of 3.90% on properties purchased for \$25 million or above. This update to the already existing “Mansion Tax,” which imposes a 1% tax on buyers of properties that are purchased for \$1,000,000 or more, will implement a graduated scale that keeps the existing 1% tax rate for properties priced \$1,000,000-\$1,999,999, then increases up to a tax of 3.90% for properties purchased for \$25,000,000 or more. The progressive rate structure is as follows:

Purchase Price	Mansion Tax Rate
\$0 - \$999,999	0
\$1,000,000 - \$1,999,999	1.00%
\$2,000,000 - \$2,999,999	1.25%
\$3,000,000 - \$4,999,999	1.50%
\$5,000,000 - \$9,999,999	2.25%
\$10,000,000 - \$14,999,999	3.25%
\$15,000,000 - \$19,999,999	3.50%
\$20,000,000 - \$24,999,999	3.75%
\$25,000,000 and up	3.90%

In addition, the New York State Transfer Tax is set to increase from 0.4% to 0.65% for residential properties sold for more than \$3,000,000 and for commercial properties sold for more than \$2,000,000. The tax on high-end properties is expected to raise \$365 million that will be deposited into the MTA's Central Business District tolling capital lockbox and will be used to support up to \$5 billion in financing for MTA projects. The new rates go into effect on July 1, 2019. However, those transactions where a contract was fully executed on or before April 1, 2019 are exempt from the increased tax, even if they close on or after July 1, 2019.