



# FIDELITY NATIONAL TITLE UPDATES

- BULLETIN -

APRIL 2005

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SPECIAL EDITION

## 2005 BUDGET BILL IMPOSES 5¢ INCREASE TO THE METRO AREA MORTGAGE TAX - DEAL TO DELAY TAX PASSED BUT NOT YET SIGNED INTO LAW -

The State Budget Bill (*Senate 3671 & Assembly 6845, Part X, Chap. 61, Laws of 2005*) was passed and signed by the Governor late Tuesday evening April 12, 2005. This bill imposes **an increase in the additional (Transportation District) mortgage tax by .05% (5¢ per \$100) and increases the deduction for the first \$10,000 or less of a mortgage to a maximum amount of .30% (30¢) EFFECTIVE APRIL 12. Accordingly, the increase is officially effective at this time and recorders can now lawfully collect the increased tax as of yesterday or today. The increase affects the mortgage tax paid by all borrowers on mortgages in the counties of Bronx, New York, Queens, Kings, Richmond, Suffolk, Nassau, Westchester, Rockland, Orange, Putnam and Dutchess. Some Counties may not be collecting the tax at this time.**

### TAX CALCULATION EXAMPLES:

#### New York City Mortgage Tax:

Less than \$500,000 all property types . . . . . **2.05%**  
\$500,000 or more Residential Properties (1-3 family single Condominium unit) . . . . . **2.175%**  
\$500,000 or more Commercial Properties (including all vacant land) . . . . . **2.80%**

#### Westchester County:

All mortgages (including Westchester County\* local tax of .25%) . . . . . **1.30%**  
(\* Mortgages of property located within the City of Yonkers also add .50% for a total tax of **1.80%**)

#### Rockland County:

All mortgages (including Rockland County local tax

of .25%) . . . . . **1.30%**

#### Suffolk, Nassau, Orange & Dutchess Counties:

All mortgages (State basic, additional and Special additional tax) . . . . . **1.05%**

A new bill, *Senate 4271*, amending the original Budget Bill was passed by the Senate and Assembly April 12 and delivered it to the Governor on April 13. As far as we presently know, the amendment had not been signed by the Governor as of this writing. Personnel at NYS State Taxation & Finance expressed hope that the Governor will sign the Bill very soon.

When the Governor signs *Senate 4271* and it becomes law, the effective date of the tax increase will be rolled back to June 1, 2005. Parties who pay the increased tax during the hiatus between the effective dates of the two bills **may be entitled for refunds** from the State, however, the question of refunds has not yet been addressed by Taxation and Finance.

A final note, the amended language of § 253(2)(a) set forth in Part X of the original Budget Bill *Senate 3671* refers to a new section of the Public Authorities Law, § 1260-B "as added by a Chapter of the Laws of Two Thousand Five." The text of this separate bill does not seem to be available, however, we are continuing attempts to locate it. How that measure and the proposed § 1260-B impact the mortgage tax increase proposed in the Budget Bill remains to be seen.

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