

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-M-95 (3)R
Mortgage Recording Taxes
September 7, 1995

Special Additional Mortgage Recording Tax Legislation

Law changes enacted in 1987 provided for funding for the Metropolitan Transportation Authority (MTA) and for the Niagara Frontier Transportation Authority (NFTA).

A source of the funds for the MTA is a portion of the special additional mortgage recording taxes collected in the counties comprising the Metropolitan Commuter Transportation District (MCTD). The counties of the MCTD are:

- | | | | |
|------------|------------|------------|---------------|
| - Bronx | - Nassau | - Putnam | - Rockland |
| - Dutchess | - New York | - Queens | - Suffolk |
| - Kings | - Orange | - Richmond | - Westchester |

A source of the funds for the NFTA is a portion of the special additional mortgage recording taxes collected in Erie County only.

The portion of the special additional mortgage recording taxes that will be distributed to the MTA and the NFTA is the amount paid on mortgages of any real property that is principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities.

Section 655.1 of the Mortgage Tax Regulations provides that:

- (a) (1) No mortgage may be recorded in any of the counties comprising the Metropolitan Commuter Transportation District or in Erie County unless a statement is included in the mortgage or in a separate statement attached thereto, stating whether the mortgage is a mortgage of real property principally improved or to be principally improved by a structure containing in the aggregate not more than six residential dwelling units, each unit containing separate cooking facilities. Where the real property covered by such mortgage contains or will contain other improvements, the determination of the nature of the principal improvement will be made in accordance with subparagraph (i) of paragraph (1) of subdivision (c) of section 642.3 of these regulations.

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- (2) A statement in the mortgage that the real property is principally improved or is to be principally improved by a one- or two-family residence or dwelling, sufficient to claim the \$10,000 deduction from the additional tax, as provided in paragraph (2) of subdivision (b) of section 642.2 of these regulations, is sufficient to satisfy the statement requirements of this section.

To assist the county recording officers, it is requested that all statements required by these regulations be made on the face of the mortgage or, if made by separate statement, the statement be attached to the mortgage.