
NC-584-I Instructions for Form NC-584 Nassau County Real Estate Transfer Tax Return



General Instructions

Purpose of NC-584

Form NC-584 is required to be used to comply with certain filing requirements of the Real Property Transfer Tax (Article 31-E of the Tax Law and Title 34 of the Miscellaneous Laws of Nassau County).

Who Must File

Anyone conveying real property on or after August 15, 1999, must file. Form NC-584 must be filed whenever a TP-584 must be filed. All schedules must be completed.

Who must pay the Transfer Tax

The real estate transfer tax shall be paid by the grantor. If the grantor has failed to pay the tax imposed pursuant to this Title or if the grantor is exempt from such tax, the grantee shall have the duty to pay the tax. Where the grantee has the duty to pay the tax because the grantor has failed to pay, such tax shall be the joint and several liability of the grantor and the grantee.

For the purpose of the proper administration of this Title and to prevent evasion of the tax hereby authorized, it shall be presumed that all conveyances are taxable. Where the consideration includes property rather than money, it shall be presumed that the consideration is the fair market value of the real property or interest therein. These presumptions shall prevail until the contrary is proven, and the burden of proving the contrary shall be on the person liable for payment of the tax.

Printing From the Internet

The NC-584 must be printed on legal size paper.

When and Where to File

Form NC-584 is to be filed with the recording officer of the county where the real property being conveyed is located no later than the fifteenth day after delivery of the instrument effecting the conveyance and simultaneously with TP-584. However, if the conveyance is not to be recorded or is to be recorded later than the time required to

file Form NC-584, you must file the NC-584 and pay any transfer tax due no later than the fifteenth day after the delivery of the instrument effecting the conveyance, directly with:

NASSAU COUNTY TREASURER
TRANSFER TAX DIVISION
240 OLD COUNTRY ROAD
MINEOLA, N.Y. 11501

Schedule B

Real Estate Transfer Tax Return

Imposition of Tax

A real estate transfer tax is hereby imposed in the County of Nassau on each conveyance of real property or interest therein when the consideration exceeds five hundred dollars, at the rate of five dollars for each five hundred dollars or fractional part thereof. This shall apply to all conveyances occurring on or after August 15, 1999, but shall not apply to conveyances made on or after such date pursuant to binding written contracts entered into prior to such date, provided that the date of execution is confirmed by independent evidence. The Treasurer has determined that the filing of NC-6-5, properly executed and notarized shall constitute "independent evidence".

Definition of Terms

1. "Person" means an individual, partnership, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any form of unincorporated enterprise owned or conducted by two or more persons.
2. "Controlling Interest" means (A) in the case of a corporation, either fifty percent or more of the total combined voting power of all classes of stock of such corporation, or fifty percent or more of the capital, profits or beneficial interest in such voting stock of such corporation, and (B) in the case of a partnership, association, trust or other entity, fifty percent or more of the capital profits or beneficial interest in such partnership, association, trust or other entity.

NC-584-I Instructions for NC-584

3. "Real property" means every estate or right, legal or equitable present or future, vested or contingent, in lands, tenements or hereditaments, including buildings, structures and other improvements thereon which are located in whole or in part within the County of Nassau. It shall not include rights to sepulture.
4. "Consideration" means the price actually paid or required to be paid for the real property interest therein, including payment for an option or contract to purchase real property, whether or not expressed in the deed and whether paid or required to be paid by money, property or any other thing of value. It shall include the cancellation or discharge of an indebtedness or obligation. It shall also include the cancellation or discharge of an indebtedness or obligation. It shall also include the amount of any mortgage, purchase money mortgage, lien or other encumbrance, whether or not the underlying indebtedness is assumed or taken subject to.
 - a) In the case of a creation of a leasehold interest or the granting of an option with use and occupancy or real property, consideration shall include, but not be limited to, the value of the rental and other payments attributable to the use and occupancy of the real property or interest therein, the value of any amount paid for an option to purchase or renew and the value of rental or other payments attributable to the exercise of any option to renew.
 - b) In the case of a creation of a subleasehold interest, consideration shall include, but not be limited to, the value of the sublease rental payments attributable to the use and occupancy of the real property, the value of any amount paid for an option to renew and the value of rental or other payments attributable to the exercise of any option to renew less the value of the remaining prime lease rental payments required to be made.
 - c) In the case of a controlling interest in any entity that owns real property, consideration shall mean the fair market value of the real property or interest therein, apportioned based on the percentage of the ownership interest transferred or acquired in the entity.
 - d) In the case of an assignment or surrender of a leasehold interest or the assignment or surrender of an option or contract to purchase real property, consideration shall not include the value of the remaining rental payments required to be made pursuant to the terms of such lease or the amount to be paid for the real property pursuant to the terms of the option or contract being assigned or surrendered.
- e) In the case of (1) the original conveyance of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the cooperative corporation plan sponsor and (2) the subsequent conveyance by the owner thereof of such stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold for a cooperative unit other than an individual residential unit, consideration shall include a proportionate share of the unpaid principal of any mortgage on the real property of the cooperative housing corporation comprising the cooperative dwelling or dwellings. Such share shall be determined by multiplying the total unpaid principal of the mortgage by a fraction, the numerator of which shall be the number of shares of stock being conveyed in the cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold and the denominator of which shall be the total number of shares of stock in the cooperative housing corporation.
5. "Conveyance" means the transfer or transfers of any interest in real property by any method, including but not limited to, sale, exchange, assignment, surrender, mortgage foreclosure, transfer in lieu of foreclosure, option, trust indenture, taking by eminent domain, conveyance upon liquidation or by a receiver or transfer or acquisition or a controlling interest in any entity with an interest in real property. Transfer of an interest in real property shall include the creation of a lease or sublease only where (A) the sum of the term of the lease or sublease and any other options for renewal exceeds forty-nine years, (B) substantial capital improvements are or may be made by or for the benefit of the lessee or sublessee, and (C) the lease or sublease is for substantially all of the premises constituting the real property. Notwithstanding the foregoing, conveyance of real property shall not include the creation, modification, extension, spreading, severance,

consolidation, assignment, transfer, release, or satisfaction of a mortgage; a mortgage subordination agreement, a mortgage severance agreement, an instrument given to perfect or correct a recorded mortgage; or a release of lien of tax pursuant to the Tax Law or the Internal Revenue Code.

6. "Interest in Real Property" includes title in fee, a leasehold interest, a beneficial interest, an encumbrance, development rights, air space and air rights, or any other interest with the right to use or occupancy of real property or the right to receive rents, profits, or other income derived from real property. It shall also include an option or contract to purchase real property. It shall not include a right of first refusal to purchase real property.
7. "Grantor" means the person making the conveyance of real property or interest therein. Where the conveyance consists of a transfer or an acquisition or a controlling interest therein. Where the conveyance consists of a transfer or an acquisition or a controlling interest in an entity with an interest in real property, "grantor" means the entity with an interest in real property or a shareholder or partner transferring stock or partnership interest.
8. "Grantee" means the person who obtains real property or interest therein as a result of a conveyance.
9. "Recording Officer" means the County Clerk of the County of Nassau.
10. "Treasurer" means the treasurer of the County of Nassau.
11. The other terms used herein shall have the same meaning as those set forth in Article 31 of the Tax Law insofar as practicable and applicable herein.

Apportionment

Where the real property or interest therein subject to the tax imposed pursuant to Title 34 of the Miscellaneous Laws of Nassau County is situated in this state but within and without Nassau County, the amount of such tax due and payable to such county shall be determined in a manner similar to that prescribed in the first paragraph of section two hundred sixty of the Tax Law which concerns real property situated in two or more counties. Where such property is both within Nassau County and without the state, the amount due and payable to such county shall be determined in the manner prescribed in the second paragraph of section two hundred sixty

which concerns property situated within and without the state. Where real property is situated within and without Nassau County, the recording officer of the jurisdiction in which the conveyance is first recorded shall be required to collect the taxes imposed pursuant to this section.

Credit

A grantor shall be allowed a credit against the tax due on a conveyance of real property to the extent tax was paid by such grantor on a prior creation of a leasehold of all or a portion of the same real property by such grantor. Such credit shall be computed by multiplying the tax paid on the creation of the leasehold or on the granting of the option or contract by a fraction, the numerator of which is the value of the consideration used to compute such tax paid which is not yet due to such grantor on the date of the subsequent conveyance (and which such grantor will not be entitled to receive after such date), and the denominator of which is the total value of the consideration used to compute such tax paid.

Cooperative Housing Corporation Transfers

1. Notwithstanding the definition of "controlling interest" contained in subdivision two of section 1449 of the Tax Law or anything to the contrary contained in subdivision 5 of section 1449 of the Tax Law, the tax imposed pursuant to this Title shall apply to (A) the original conveyance of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the cooperative corporation of cooperative plan sponsor, and (B) the subsequent conveyance of such stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold by the owner thereof. With respect to any such subsequent conveyance where the property is an individual residential unit, the consideration for the interest conveyed shall exclude the value of any liens on certificates of stock or other evidences of an ownership interest in and a proprietary lease from a corporation or partnership formed for the purpose of cooperative ownership of residential interest in real estate remaining thereon at the time. In determining the tax on a conveyance described in paragraph (A) of this section, a credit shall be allowed for a proportionate part of the amount of an tax paid upon the conveyance to the cooperative housing corporation of the real

NC-584-I Instructions for NC-584

property comprising the cooperative dwelling or dwellings to the extent that such conveyance effectuated a mere change of identity or form of ownership of such property and not a change in the beneficial ownership of such property. The amount of the credit shall be determined by multiplying the amount of tax paid upon the conveyance to the cooperative housing corporation by a percentage representing the extent to which such conveyance effectuated a mere change of identity of form of ownership and not a change in the beneficial ownership of such property, and then multiplying the resulting product by a fraction, the numerator of which shall be the number of shares of stock of the cooperative housing corporation (including any stock held by the corporation). In no event, however, shall such credit reduce the tax on a conveyance described in paragraph (A) of this section, below zero, nor shall any such credit be allowed for a tax paid more than twenty-four months prior to the date on which occurs the first in a series of conveyances of shares of stock in an offering of cooperative housing corporation shares described in paragraph (A) of this section.

2. Every cooperative housing corporation shall be required to file an information return with the treasurer by July fifteenth of each year covering the preceding period of January first through June thirty-first and by January fifteenth of each year covering the preceding period of July first through December thirty-first. The return shall contain such information regarding the conveyance of shares of stock in the cooperative housing corporation as the treasurer may deem necessary, including, but not limited to, the names, addresses and employee identification numbers or social security numbers of the grantor and the grantee, the number of shares conveyed, the date of the conveyance and the consideration paid for such conveyance.

Line Instructions**Schedule A**

The information to be inserted in Schedule A should mirror the Schedule A on the TP-584 and the instructions set forth in TP-584-I apply to Schedule A on NC-584.

Schedule B

Line 1 Enter amount of consideration for the conveyance. If you are claiming an exemption, check the box and proceed to Part II. You must provide a completed, executed and notarized Exemption from Transfer Tax Affidavit, Form NC-6-5.

Line 2 Compute and enter the amount of tax due based on the consideration entered on line 1. The rate is different than the rate applicable on the TP-584 and the consideration may be different because there is no continuing lien deduction.

Line 3 Enter the amount of the tax credit claimed. Complete and attach a copy of form TP-584.1 (use the state form; if claiming a credit on the TP-584 and the NC-584, two TP584.1's must be filed).

Line 4 Enter the total tax due by subtracting line 3 from line 2. Make Check payable to Nassau County Clerk. If payment and filing is to be made with the Treasurer, make check payable to Nassau County Treasurer.

Schedule B, Part II

Check the appropriate box if you are claiming an exemption. If you are claiming an exemption based on a binding written contract entered into on or before August 15, 1999, you must complete NC-6-5, Exemption from Transfer Tax Affidavit and submit it to the County Clerk, with the other documents required for recording or to the Nassau County Treasurer, if no recording is required or taking place.

Signature

Form NC-584 is to be signed by all Grantors and Grantees. If there is not adequate space for all persons to sign, a separate signature sheet, similar in format to the signature and affirmation on Form NC-584 may be used and attached to NC-584