

AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER

(Chapter 49, P.L.1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM

STATE OF NEW JERSEY

COUNTY _____

MUNICIPALITY OF PROPERTY LOCATION _____

} **SS.** County Municipal Code _____

FOR RECORDER'S USE ONLY

Consideration \$ _____
RTF paid by buyer \$ _____
Date _____ By _____

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3 and #4 on reverse side)

Deponent, _____, being duly sworn according to law upon his/her oath, (Name) deposes and says that he/she is the _____ in a deed dated _____ transferring (Grantee, Legal Representative, Corporate Officer, Officer of Title Company, Lending Institution, etc.) real property identified as Block number _____ Lot number _____ located at _____ and annexed thereto. (Street Address, Town)

(2) CONSIDERATION \$ _____ (See Instructions #1, #5, and #11 on reverse side)

Entire consideration is in excess of \$1,000,000:

PROPERTY CLASSIFICATION CHECKED BELOW SHOULD BE TAKEN FROM THE OFFICIAL TAX LIST (A PUBLIC RECORD) OF THE MUNICIPALITY WHERE THE REAL PROPERTY IS LOCATED IN THE YEAR THAT THE TRANSFER IS MADE.

(A) When Grantee is required to remit the 1% fee, complete below:

- Class 2 - Residential
- Class 3A - Farm property (Regular) and any other real property transferred to same grantee in conjunction with transfer of Class 3A property
- Class 4A – Commercial Properties (if checked, calculation on (C) required below)
- Class 4C - Residential Cooperative Unit (4 Families or less)

(B) When Grantee is not required to remit the 1% fee, complete below:

- Property class. Circle applicable class(es): 1 4B 4C 15
Property classes: 1-Vacant Land, 4B-Industrial properties, 4C-Apartments (other than cooperative unit), 15-Public Property
- Exempt Organization pursuant to federal Internal Revenue Code of 1986
- Incidental to corporate merger or acquisition and equalized assessed valuation less than 20% of total value of all assets exchanged in merger or acquisition (If checked, calculation in (C) below required and **MUST ATTACH COMPLETED RTF-4**)

(C) REQUIRED CALCULATION OF EQUALIZED ASSESSED VALUATION FOR ALL CLASS 4A COMMERCIAL PROPERTY TRANSACTIONS: (See Instructions #6 and #7 on reverse side)

Total Assessed Valuation ÷ Director's Ratio = Equalized Valuation

\$ _____ ÷ _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized value.

(3) TOTAL EXEMPTION FROM FEE (See Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

(4) Deponent makes Affidavit of Consideration for Use by Buyer to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith pursuant to the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me this _____ day of _____, 20_____

Signature of Deponent

Grantee Name

Deponent Address

Grantee Address at Time of Sale

Name/Company of Settlement Officer

FOR OFFICIAL USE ONLY

Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

County Recording Officers shall forward one copy of each Affidavit of Consideration for Use by Buyer recorded with deeds to:

**STATE OF NEW JERSEY- DIVISION OF TAXATION
PO BOX 251
TRENTON, NJ 08695-0251**

ATTENTION: REALTY TRANSFER FEE UNIT

INSTRUCTIONS FOR FILING FORM RTF-1EE, AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER

1. CONSIDERATION STATEMENT AND REALTY TRANSFER FEE PAYMENT PREREQUISITES FOR DEED RECORDING

No county recording officer shall record any deed evidencing transfer of title to real property unless (a) the consideration is recited in the deed, or (b) an Affidavit for Use by Buyer by one or more of the parties named in the deed or by their legal representatives declaring the consideration is annexed for recording with the deed, and (c) for conveyances and transfers of property for which the total consideration recited in the deed is not in excess of \$350,000, a fee is remitted at the rate of \$2.00/\$500 of consideration or fractional part thereof not in excess of \$150,000; \$3.35/\$500 of consideration or fractional part thereof in excess of \$150,000 but not in excess of \$200,000; and \$3.90/\$500 of consideration or fractional part thereof in excess of \$200,000. For transfers of property for which the total consideration recited in the deed is in excess of \$350,000, a fee is remitted at the rate of \$2.90/\$500 of consideration or fractional part not in excess of \$150,000; \$4.25/\$500 of consideration or fractional part thereof in excess of \$150,000 but not in excess of \$200,000; \$4.80/\$500 of consideration or fractional part thereof in excess of \$200,000 but not in excess of \$550,000; \$5.30/\$500 of consideration or fractional part thereof in excess of \$550,000 but not in excess of \$850,000; \$5.80/\$500 of consideration or fractional part thereof in excess of \$850,00 but not in \$1,000,000; and \$6.05/\$500 of consideration or fractional part thereof in excess of \$1,000,000, which fee shall be paid in addition to the recording fees imposed by Chapter 123, P.L. 1965, Section 2 (C. 22A:4-4.1) as amended by Chapter 370, P.L. 2001, through Chapter 66, P.L. 2004 and Chapter 19, P.L. 2005, which fee shall be paid to the county recording officer at the time the deed is offered for recording/transfer. Of these fees, \$.75/\$500 of consideration or fractional part in excess of \$150,000 paid to the State Treasurer is credited to the Neighborhood Preservation Nonlapsing Revolving Fund.

In addition to all other fees imposed under Chapter 49, P.L. 1968 (C. 46:15-5 et seq.) as amended through Chapter 33, P.L. 2006, a fee is imposed upon the grantee of a deed for the transfer of real property for consideration in excess of \$1,000,000:

- A. that is classified pursuant to the requirements of N.J.A.C. 18:12-2.2 as Class 2 "residential";
- B. that includes property classified pursuant to N.J.A.C. 18:12-2.2 as Class 3A: "farm property (regular)" but only if the property includes a building or structure intended or suited for residential use, and; any other real property, regardless of class, that is effectively transferred to the same grantee in conjunction with farm property as described above; or
- C. that is a cooperative unit as defined in section 3 of P.L. 1987, c. 381 (C.46:8D-3).
- D. that is classified pursuant to the requirements of N.J.A.C. 18:12-2.2 as Class 4A "commercial properties," meaning any type of income-producing properties other than properties in Classes 1, 2, 3A, 3B and those properties in Class 4B and Class 4C as defined in N.J.A.C. 18:12-2.2 (f) and (g).

The 1% fee is not imposed on an organization determined by the federal Internal Revenue Service to be exempt from federal income taxation pursuant to paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 501 that is the grantee in a deed for consideration in excess of \$1,000,000. The 1% fee shall also not apply to a deed if the real property transfer is incidental to a corporate merger or acquisition and the equalized assessed value of the real property transferred is less than 20% of the total value of all assets exchanged in the merger or acquisition.

2. WHEN AFFIDAVIT OF CONSIDERATION FOR USE BY BUYER MUST BE ANNEXED TO DEED

- Recorded with the deed when the entire consideration is in excess of \$1,000,000 or the equalized value of the Class 4A property is in excess of \$1,000,000; however, the Realty Transfer Fee is calculated on the consideration amount recited in the deed.
- When grantee claims an exemption from payment of the fee;
- When the entire consideration is not recited in the deed or the acknowledgement or proof of the execution.

Exemptions from the Realty Transfer Fee are found in N.J.S.A. 46:15-10.

3. LEGAL REPRESENTATIVE

"Legal representative" is to be interpreted broadly to include any person actively and responsibly participating in the transaction, such as, but not limited to: an attorney representing one of the parties; a closing officer of a title company or lending institution participating in the transaction; a holder of power of attorney from grantor or grantee.

4. OFFICER OF CORPORATE GRANTEE/OFFICER OF TITLE COMPANY OR LENDING INSTITUTION

Where a deponent is an officer of corporate grantee, state the name of corporation and officer's title or where a deponent is a closing officer of a title company or lending institution participating in the transaction, state the name of the company or institution and officer's title.

5. CONSIDERATION

"Consideration" means in the case of any deed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is assumed and agreed to be paid by the grantee and any other lien or encumbrance not paid, satisfied or removed in connection with the transfer of title.

6. DIRECTOR'S RATIO

"Director's Ratio" means the average ratio of assessed to true value of real property for each taxing district as determined by the Director, Division of Taxation, in the Table of Equalized Valuations promulgated annually on or before October 1 in each year pursuant to N.J.S.A. 54:1-35.1. The Table is used in the calculation and apportionment of distributions pursuant to the State School Aid Act of 1954.

7. EQUALIZED VALUE

"Equalized Value" means the assessed value of the property in the year that the transfer is made, divided by the Director's Ratio. The Table of Equalized Valuations is promulgated annually on or before October 1 in each year pursuant to N.J.S.A. 54:1-35.1. **Example: Assessed value = \$1,000,000; Director's Ratio = 80%. $\$1,000,000 \div .80 = \$1,250,000$.** If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value, if Director's Ratio is in excess of 100% the assessed value will be equal to the equalized value.

8. TOTAL EXEMPTION FROM THE REALTY TRANSFER FEE (GRANTOR/GRAZTEE)

The fee imposed by this Act shall not apply to a deed:

- (a) For consideration of less than \$100;
- (b) By or to the United States of America, this State, or any instrumentality, agency or subdivision;
- (c) Solely in order to provide or release security for a debt or obligation;
- (d) Which confirms or corrects a deed previously recorded;
- (e) On a sale for delinquent taxes or assessments;
- (f) On partition;
- (g) By a receiver, trustee in bankruptcy or liquidation, or assignee for the benefit of creditors;
- (h) Eligible to be recorded as an "ancient deed" pursuant to R.S. 46:16-7;
- (i) Acknowledged or proved on or before July 3, 1968;
- (j) Between husband and wife, or parent and child;
- (k) Conveying a cemetery lot or plot;
- (l) In specific performance of a final judgment;
- (m) Releasing a right of reversion;
- (n) Previously recorded in another county and full Realty Transfer Fee paid or accounted for as evidenced by written instrument, attested to by the grantee and acknowledged by the county recording officer of the county of such prior recording, specifying the county, book, page, date of prior recording, and amount of Realty Transfer Fee previously paid;
- (o) By an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this State;
- (p) Recorded within 90 days following the entry of a divorce decree which dissolves the marriage between the grantor and grantee;
- (q) Issued by a cooperative corporation, as part of a conversion of all of the assets of the cooperative corporation into a condominium, to a shareholder upon the surrender by the shareholder of all of the shareholder's stock in the cooperative corporation and the proprietary lease entitling the shareholder to exclusive occupancy of a portion of the property owned by the corporation.

9. REALTY TRANSFER FEE IS A FEE IN ADDITION TO OTHER RECORDING FEES

The county recording officer is required to collect the Realty Transfer Fee at the time the deed is offered for recording/transfer.

10. AFFIDAVITS OF CONSIDERATION FOR USE BY BUYER FORWARDED TO DIRECTOR, DIVISION OF TAXATION

The county recording officers shall forward one copy of each Affidavit of Consideration for Use by Buyer filed and recorded with deeds to the Director of the Division of Taxation on the tenth day of the month next following the filing of the deed.

11. PENALTY FOR WILLFUL FALSIFICATION OF CONSIDERATION AND TRANSFERS OF NEW CONSTRUCTION

Any person who knowingly falsifies the consideration recited in a deed or in the proof or acknowledgement of the execution of a deed or in an affidavit annexed to a deed declaring the consideration therefor or a declaration in an affidavit that a transfer is exempt from recording fee is guilty of a crime of the fourth degree (Chapter 308, P.L. 1991, effective June 1, 1992). The Division of Taxation is entitled to review the Fees collected pursuant to the State Uniform Procedure Law. The Director of the Division of Taxation is authorized to make deficiency assessments to taxpayers who have, intentionally or mistakenly, underestimated the consideration or sales price of properties on the Affidavit of Consideration for Use by Buyer attached to deeds and upon which the Realty Transfer Fee is based.

12. COUNTY/MUNICIPAL CODES

County/Municipal codes may be found at <http://www.state.nj.us/treasury/taxation/pdf/lpt/cntycode.pdf>.