



*First American Title*

**First American Title Insurance Company  
CURRENT DEVELOPMENTS  
SPECIAL EDITION**

**Mortgages executed by Industrial Development Agencies have been exempt from the payment of any portion of the mortgage recording tax, provided that the Agency covenants in the mortgage that it will record the mortgage. (See New York State Department of Taxation and Finance Advisory Opinion TSB-A-82(1)M, posted at [https://www.tax.ny.gov/pdf/advisory\\_opinions/mortgage/a82\\_1m.pdf](https://www.tax.ny.gov/pdf/advisory_opinions/mortgage/a82_1m.pdf)).**

**Under Chapter 394 of the Laws of 2016, amending Sections of New York State's General Municipal Law, Public Authorities Law and Tax Law, the portion of the mortgage recording tax known as the "Additional Tax" must now be paid on such mortgages when they are recorded in a county in which the Additional Tax applies. The Chapter became effective on September 30, 2016, the date on which it was enacted.**

**In each county of the State, mortgage recording tax includes a Basic Tax of \$.50 for each \$100 and each remaining fraction thereof of the principal obligation that may be secured by a mortgage, and a Special Additional Tax of \$.25 for each \$100 secured. For mortgages recorded in New York City, Rockland County and Westchester County local mortgage taxes are also imposed. An Additional Tax, at the rate of \$.25 for each \$100 secured is also collected on the recording of a mortgage in the counties located within the Capital District Transportation District, the Central New York Regional Transportation District, the Niagara Frontier Transportation District, and the Rochester-Genesee Transportation District, and at the rate of \$.30 for each \$100 secured in the counties located within the downstate Metropolitan Commuter Transportation District. The Metropolitan Commuter Transportation District includes the City of New York and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.**

**According to the Memorandum of Support of the legislation (S7442/A09490) signed into law as Chapter 394,**

**"New York law gives .25% of the mortgage recording tax to our regional transportation companies...However, in recent years, IDAs have begun providing many economic development projects and business exemptions to the mortgage recording tax. This deprives our transportation authorities of needed revenue at a time when they are experiencing great fiscal stress..."**

**“This legislation... will restore this recurring revenue stream for the transportation authorities, and allow them to make additional investments in improving service.”**

**The Governor’s Memorandum of Approval indicates that the effective date of the Chapter will be extended:**

**“As drafted, however, the legislation’s immediate effective date may interfere with the completion of several pending projects and necessitate changes to contractual arrangements. To address that concern, the Legislature has agreed to a chapter amendment that would change the effective date of the legislation to July 1, 2017. On this basis, I am signing this bill.”**

**The State Senate and State Assembly are not in session.**

**A Technical Memorandum (TSB-M-16(1)R dated November 2, 2016, captioned “Industrial Development Agencies and Authorities in Transportation Districts No Longer Exempt from the Additional Mortgage Recording Tax”, issued by New York State’s Department of Taxation and Finance, is posted at:**

**[https://www.tax.ny.gov/pdf/memos/mortgage/m16\\_1r.pdf](https://www.tax.ny.gov/pdf/memos/mortgage/m16_1r.pdf).**

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