



What our Clients Need to Know About an Update Scheduled for June 13, 2019:

Below is a quick link to each feature in this update.

[*District of Columbia, One Unit Real Property*](#)

[*District of Columbia, Cooperative Unit*](#)

[*Delaware, All Counties*](#)

[*Delaware, New Castle*](#)

[*Pennsylvania, Erie*](#)



District of Columbia

One Unit Real Property

Effective June 13, 2019, for purchase and construction-to-perm purchase transactions of one-unit real properties (single family, condo, townhouse, manufactured), we will add two new tax questions to allow users to select the reduced recordation tax rate for a first time homebuyer:

- “All buyers are qualified resident first time homebuyers of the District of Columbia, with no previous property ownership unless relinquished in a divorce, with qualifying income and the property qualifies for a homestead deduction” with a default of “No”
- “Owner occupied/principal residence” with a default of “No”

Changing the answer to “Yes” to these two tax questions and answering, “Yes” to the existing tax question “Class 1 residential property (1 to 5 units)” and if the consideration is less or equal to the property purchase price ceiling of \$632,500, the reduced tax rate of 0.725% will apply to the taxable consideration used to calculate the Recordation Tax.

Cooperative Unit

Effective June 13, 2019, for purchase transactions of a cooperative unit, we will add three new tax questions to allow users to select the reduced recordation tax rate for a first time homebuyer:

- “All buyers are qualified resident first time homebuyers of the District of Columbia, with no previous property ownership unless relinquished in a divorce, with qualifying income and the property qualifies for a homestead deduction” with a default of “No”
- “Owner occupied/principal residence” with a default of “No”
- “Class 1 residential property (1 to 5 units)” with a default of “Yes”

Answering “Yes” to all three tax questions and if the consideration is less or equal to the property purchase price ceiling of \$632,500, the recordation tax rate will be reduced from 2.2% to 1.825% when the consideration is less than \$400,000 and from 2.9% to 2.175% when the consideration is equal or greater than \$400,000.



Delaware

All Counties

Effective June 13, 2019, in Delaware, for purchase and construction-to-perm purchase transactions, we will be adding a new tax question “Owner Occupied within 90 days of closing date” with a default of “No”. Changing the answer to “Yes” and answering, “Yes” to the existing tax question “All buyers are qualified first-time buyers purchasing a principal residence”, will reduce the tax rate by 0.5% for the state transfer tax on the first \$400,000 of the taxable consideration.

New Castle

Effective June 13, 2019, in New Castle County, Delaware, for purchase and construction-to-perm purchase transactions, we will expire the tax question “All buyers are qualified first-time buyers and property is qualified rental property that will be used as principal residence”.

We will add the new tax question “Qualified rental property that will be used as principal residence” with a default of “No” for Property Types: Single Family, Condo, Townhouse, and Manufactured Housing. This change will not impact the calculation of the transfer tax on the consideration.

Pennsylvania

Erie

Effective June 13, 2019, in Erie City, Pennsylvania, we will add a flat \$100 Deed Registration Fee to purchase, quitclaim and construction-to-perm purchase transactions, unless the consideration is equal or less than \$100.