

NOTICE OF AMENDMENT

FISCAL YEAR 2007 BUDGET SUPPORT ACT OF 2006

TITLE II. SUBTITLE D: DEED TRANSFER AND RECORDATION TAX INCREASE

DEED TRANSFER AND RECORDATION CLARIFICATION EMERGENCY AMENDMENT ACT OF 2006 (BILL 16-884)

The Office of Tax and Revenue, Real Property Tax Administration, Recorder of Deeds Division hereby gives notice of increases in recordation and transfer tax rates pursuant to the Fiscal Year 2007 Budget Support Act of 2006 (Bill 16-0679) and the Deed Transfer and Recordation Clarification Emergency Amendment Act of 2006 (Bill 16-884). The recordation and transfer tax rates will increase from 1.1% to 1.45%, effective October 1, 2006. These increases to the tax rates are applicable to deeds for residential properties conveyed for consideration of \$400,000 or greater and deeds to all commercial properties, without regard to the amount of the consideration. The .35% increase in deed recordation tax rate is also applicable to non-exempt security interest instruments regardless of the amount secured.

The tax rate on Economic Interest Deeds is not affected by the above increase.

In order to facilitate implementation of these changes, the Office of the Recorder of Deeds will adhere to the following policy:

- Any deed or security interest instrument executed prior to October 1, 2006 but submitted after that date, will be taxed at the rate in effect at time of execution.
- For the purpose of determining the rate of taxation, a deed or security interest instrument will be deemed executed on the date all parties have signed the HUD-1 or the closing statement and have fully executed the other key documents (such as the deed, deed of trust or mortgage). Thus, the controlling date(s) in determining the tax rate will be the bearing date or acknowledgement date on the documents and the execution date on the HUD-1 or closing statement. A HUD-1 or closing statement, as the case may be, must accompany all recorded documents.
- Economic Interest Deeds will continue to be taxed at 2.2% of the consideration amount.
- All residential Deeds with consideration amounts of less than \$400,000 will be taxed at 1.1%
- All security interest instruments that qualify for exemptions pursuant to DC Code 42-1102 will continue to be exempt from recordation taxes.

Please direct all questions/comments to Larry J. Todd, Recorder of Deeds, at (202) 727-0419 or larry.todd@dc.gov or to Mary Short Davis, Deputy Recorder of Deeds, at (202) 727-0420 or mary.shortdavis@dc.gov.