

Bond Case Briefs

Municipal Finance Law Since 1971

TAX - NEW YORK

VCP One Park REIT LLC v. New York City Tax Appeals Tribunal

Supreme Court, Appellate Division, First Department, New York - April 25, 2019 - N.Y.S.3d - 171 A.D.3d 632 - 2019 WL 1798261 - 2019 N.Y. Slip Op. 03149

Article 78 proceeding was brought to review determination of the New York City Tax Appeals Tribunal that transfer of economic interest in real property was not entitled to the reduced New York City Real Property Transfer Tax (RPTT) rate applicable to real estate investment trust (REIT) transfers.

The Supreme Court, Appellate Division, held that Administrative Code provision making taxable consideration equal to estimated market value as determined for property tax purposes did not apply.

In determining whether transfer of an economic interest in real property was entitled to the reduced New York City Real Property Transfer Tax (RPTT) rate applicable to real estate investment trust (REIT) transfers, Administrative Code provision making taxable consideration equal to estimated market value as determined for property tax purposes did not supersede Code's 40% test, requiring that the value of the ownership interests in the REIT received by the grantor as consideration for the transfer be at least 40% of the value of the equity interest in the real property or economic interest therein.