



**Government of the
District of Columbia**
Office of Tax and Revenue
Recorder of Deeds
1101 4th Street, SW
Washington, DC 20024
Phone: (202) 727-5374

Reduced Recordation Tax Rate for First-Time Homebuyers

General Instructions

For deeds recorded on or after October 1, 2017, the recordation tax rate for a “first-time District homebuyer” purchasing “eligible property” will be reduced. For houses and condominium units, the recordation tax rate is 0.725% (transfer taxes owed by the seller of 1.1% or 1.45% are unchanged). For transfers of economic interests in a housing cooperative unit (co-op unit), the recordation tax rate is reduced from 2.2% to 1.825% for units under \$400,000, and from 2.9% to 2.175% for units \$400,000 or greater (there is no transfer tax). An application for the reduced rate must be made at the time the deed is offered for recordation. The reduced rate cannot be applied for after the deed is recorded.

Only one application form is required per deed. The applicant must use the version of this application form (Form ROD 11) available on the Recorder of Deeds website at the time the deed of title or economic interest transfer is submitted to the Recorder of Deeds. Prior versions of the form will not be accepted.

For information concerning eligibility, please refer to OTR Tax Notice 2017-7.

To claim the reduced recordation tax rate, applicants must: (1) complete the current version of the application form (Form ROD 11); and (2) submit documentary evidence.

Applications are subject to audit after the deed is recorded. If additional tax is due as a result of the audit, the grantee(s) of the deed will be responsible for payment of all tax, interest and penalties owed.

A. Form ROD 11- Reduced Recordation Tax Rate for First-Time District Homebuyers

Line-by-line Instructions

Part I - Property information

Provide the square, suffix, and lot (SSL) as well as the address of the real property or co-op unit for which the homestead application is being filed. Enter the square, suffix, and lot numbers of any additional lots conveyed with the deed. All lots listed in Part I will be referred to as the “eligible property” throughout the application form.

Part II - Eligible property

Only “eligible property” qualifies for the reduced recordation tax rate.

Line 1 “Eligible property” must either be a house, condominium unit, or an economic interest in a co-op unit, and also includes any other real property conveyed on the same deed within the Property Purchase Price Ceiling (see First-Time Homebuyer Table “b”).

Line 2 The appropriate Homestead Deduction Application (Form FP-100 for a house or condominium unit, or Form FP-111/COOP for an economic interest for a co-op unit) signed by the applicant for the reduced tax rate must be filed for the primary real property identified in Part I because that “eligible property” must qualify for a homestead deduction. If the primary property fails to qualify for the homestead deduction, the reduced rate will not be available to any property and appropriate, additional tax under the generally applicable rules will be imposed. A signed copy of the Homestead Deduction Application (Form FP-100 for a house or condominium unit, or Form FP-111/COOP for an economic interest in a co-op unit) must be attached to the application.



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Line 3 Applicants are eligible for the reduced rate of tax only if the entire benefit of the tax reduction is allocated to the grantee(s). The benefit of the reduced tax rate cannot be shared with the transferor of the real property, and the full amount of the transfer tax due on the sale of the property should be allocated to the transferor. These allocations must be shown on the Settlement Statement or Closing Disclosure Form. Include a copy of the Settlement Statement or Closing Disclosure Form with the completed application form.

Line 4 Enter the total purchase price of all lots listed in Part I. If the total purchase price exceeds the Property Purchase Price Ceiling listed under the First-Time Homebuyer Table "b)", the deed does not qualify for the reduced recordation tax rate.

Part III - First-Time District Homebuyer

The applicant for the reduced rate of tax must be or intend to be a District resident and a "first-time District homebuyer".

Line 1 To be eligible for the reduced rate of tax, the applicant must be a District resident or intend to immediately become a District resident at the time the deed is offered for recordation.

Line 2 To be eligible for the reduced rate of tax, the applicant must be a "first-time District homebuyer". This means that the applicant has never owned a house, a condominium unit or an economic interest in a co-op unit that qualified for the District's homestead deduction as the applicant's principal place of residence. Nevertheless, an applicant can still qualify as a "first-time District Homebuyer" if the applicant's only such prior residence was jointly owned with an ex-spouse from whom the applicant is divorced or separated and the applicant relinquished ownership under a court order or a separation agreement.

Part IV - Household income

Line 1 List every grantee (whether or not residing in the property) and non-grantee individuals who reside or will reside in the eligible property (household residents). For each listed grantee and household resident, provide the federal adjusted gross income, as shown in that individual's U.S. Individual Income Tax Return (Form 1040) originally due or filed immediately before (if filed before the original due date) the deed is offered for recordation, and the Social Security Number.

Do not list tenants occupying a separate dwelling unit under a written lease for fair market value.

If a grantee or household resident was not required to file a U.S. Individual Income Tax Return (Form 1040) for the past year, write "NO" under the Filing Requirement column that applies to such grantee or household resident instead of providing the federal adjusted gross income.

Do not list the Social Security Number of any grantee or household resident who is under 18 years of age.

Line 2 Add the amounts from the Federal Adjusted Gross Income column for all listed individuals in Part IV, Line 1. Enter this total amount as the Combined Federal Adjusted Gross Income.

Line 3 Enter the Qualifying Household Income listed under the First-Time Homebuyer Table "a)" based on the number of individuals listed in Part IV, Line 1.

If the amount entered in **Line 2** is greater than the amount entered in **Line 3**, you do not qualify for the reduced recordation tax rate.



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B. Documentary Evidence

In addition to the completed application form, applicant must submit documentary evidence to support the application.

1) Required documentary evidence includes:

- a. Copy of the Settlement Statement or Closing Disclosure Form;
- b. Copy of the Homestead Deduction application form (Form FP-100 for a house or condominium unit, or FP-111/COOP for co-op unit), for the eligible property signed by the applicant;
- c. A copy of the entire U.S. Individual Income Tax Return (Form 1040) originally due or filed immediately before (if filed before the original due date) the deed is offered for recordation for each grantee and household resident listed under Part IV, Line 1. Form 1040 is not required for a grantee or household resident who was not required to file a U.S. Individual Income Tax Return (Form 1040) for the past year.

2) Other documentary evidence may be required:

- a. If the applicant's only prior ownership of real property or a co-op unit as the principal place of residence in D.C. was joint ownership with an ex-spouse from whom the applicant is divorced or separated, provide a copy of a written separation agreement or court order showing that the applicant relinquished ownership of the real property or co-op unit to the ex-spouse.
- b. Other documents that the Recorder of Deeds deems necessary for an audit of the application.



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FIRST-TIME HOMEBUYER TABLE

a) QUALIFYING HOUSEHOLD INCOME EFFECTIVE: October 1, 2018

PERSONS IN HOUSEHOLD	HOUSEHOLD INCOME LIMITS
1.	\$147,780
2.	\$168,840
3.	\$189,900
4.	\$210,960
5.	\$227,880
6.	\$244,800
7.	\$261,720
8.	\$278,640

b) PROPERTY PURCHASE PRICE CEILING: \$632,500



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APPLICATION

Reduced Recordation Tax Rate for First-Time District Homebuyers

PART I - Property Information

Provide the following information for the property for which the homestead deduction application is being filed.

- Provide the Square, Suffix and Lot numbers of the primary property conveyed on the deed.

Square	Suffix	Lot

Street Address	Unit #

- Provide the Square, Suffix and Lot numbers of any additional lots conveyed on the deed.

Square	Suffix	Lot	Square	Suffix	Lot

(List additional lots on a separate sheet)
(All lots listed in Part I will be referred to as the "eligible property.")

PART II - Eligible Property

- Is the eligible property listed in Part I a house, a condominium unit, or an ownership interest in a co-op unit? YES NO
- Is a Homestead Deduction Application (Form FP-100 [or Form FP-111/COOP for co-op unit]) being filed for the property? (attach a copy of the Homestead Deduction Application signed by the applicant) YES NO
- Is the entire benefit of the tax reduction allocated to the grantee(s)? (include a copy of the Settlement Statement or Closing Disclosure Form) YES NO
- Enter the total purchase price of all lots listed in Part I: (this amount cannot exceed the Property Purchase Price Ceiling in First-Time Homebuyer Table "b") \$

PART III - First-time District Homebuyer

- Are you, the applicant, currently a District resident or do you intend to establish residency in the District in the immediate future? YES NO
 - Have you, the applicant, previously owned District property that was your principal place of residence and that received the homestead deduction? YES NO
- If YES, was the prior residence jointly owned with an ex-spouse from whom you are divorced or separated and did you relinquish ownership under a court order or a separation agreement? (attach a copy of the court order or settlement agreement) YES NO



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PART IV - Household Income

1. Provide the following information for every grantee whether s/he resides in the property or not and all other household residents who reside or will reside in the property after it is purchased (exclude tenants occupying separate dwelling units under written leases for fair market value). For each individual, enter the federal adjusted gross income as shown on the U.S. Individual Income Tax Return (Form 1040) originally due or filed immediately before (if filed before the original due date) the deed is offered for recordation.

	Name	Federal Adjusted Gross Income	Social Security Number (if 18 or over)	Income Tax Filing Requirement (YES/NO)?
Applicant / Grantee 1:				
Grantee 2:				
Grantee 3:				
Grantee 4:				
Resident 1:				
Resident 2:				
Resident 3:				
Resident 4:				
Resident 5:				
Resident 6:				

(Provide names and information of additional grantees or household residents on a separate sheet)

2. Enter Combined Federal Adjusted Gross Income:

3. Enter Qualifying Household Income: (see Line-by-line instructions) \$

→ If amount entered in **Line 2** exceeds the amount entered in **Line 3**, you do not qualify for the reduced recordation tax rate.

Required Documentary Evidence (see instructions under Documentary Evidence):

- (1) Copy of the Settlement Statement or Closing Disclosure Form,
- (2) Copy of Form FP-100 (or FP-111/COOP for co-op unit), the Homestead Deduction application form signed by the applicant,
- (3) For each individual listed under Part IV, Line 1, attach a copy of that individual's entire U.S. Individual Income Tax Return (Form 1040) originally due or filed immediately before (if filed before the original due date) the deed is offered for recordation.
- (4) Copy of the Divorce Decree or Separation Agreement, if applicable.



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PART V - Notarization

Under penalties of law, I hereby swear or affirm declare that I have examined this application, including any accompanying attachments, and, to the best of my knowledge, it is correct. Any false statement that I made on this application is punishable by criminal penalties under the laws of the District of Columbia.

Applicant's Signature

Date

Applicant's Telephone No. (Home)

Applicant's Telephone No. (Work)

Sworn and subscribed before me this _____ day of _____, 20_____.

(Notarial Seal)

Notary Public