

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Tax and Revenue

Reply To:
Recorder of Deeds
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NOTICE

FISCAL YEAR 2003 BUDGET SUPPORT AMENDMENT ACT OF 2002

RECORDATION & TRANSFER TAXES/ ROD SURCHARGE FEES

The Office of Tax and Revenue, Recorder of Deeds Division hereby gives notice of an increase in **RECORDATION and TRANSFER TAXES** pursuant to the Budget Support Act of 2002 (Bill 14-0892). The increase will take effect January 01, 2003 increasing the District of Columbia Transfer and Recordation Tax from 1.1% to 1.5%. The Recorder of Deeds Office will collect the 1.1% Recordation and Transfer tax rate for a transition period of **30 business days following December 31, 2002** provided all of the document transactions were completed prior to January 1, 2003. The Recorder shall require as evidence of completion of the closing, executed and notarized documents, and an executed settlement statement (HUD-1) certified by the Title Company or attorney. All of the aforementioned documents must be executed and dated prior to January 1, 2003. The controlling date will be the bearing date or acknowledgement date on the documents submitted for record and the execution date on the HUD-1. **NO EXCEPTIONS WILL BE MADE WITH RESPECT TO THE AFOREMENTIONED REQUIREMENTS.**

Under Bill 14-0892 the 1.1% recordation and transfer tax **may** apply if the following requirements are met:

- Consideration is \$250,000.00 or less, and
- The deed filed with the Recorder's office within 30 days from the date of execution, and
- The real property shall be an owner occupied residential homestead property (domicile of the owner) as evidenced by the filing of a completed Homestead application with the deed

Economic interest transfers shall be taxed at 3.0% of the consideration allocable to real property and will be given the same transition period and subject to the same requirements as stated above.

Additionally, construction loans on owner occupied residential property shall continue to be taxed at 1.1% irrespective of the loan amount.

Finally, the surcharge fee of \$5.00, which is required with every document submitted for record, shall increase to \$6.50. The new \$6.50 document surcharge fee is applicable on all documents filed after January 1, 2003 regardless of document execution dates. **There will be no transition period given with respect to the increase of the surcharge fee.**

If there are any questions or concerns please contact Mr. Larry Todd Recorder of Deeds @ 202-727-0419 or e-mail larry.todd @ dc.gov. or Mr. John Mowery Deputy Recorder of Deeds @ 202- 727-0420 or e-mail john.mowery @ dc.gov.