



# FIRPTA

## *Foreign Investment In Real Property Tax Act*

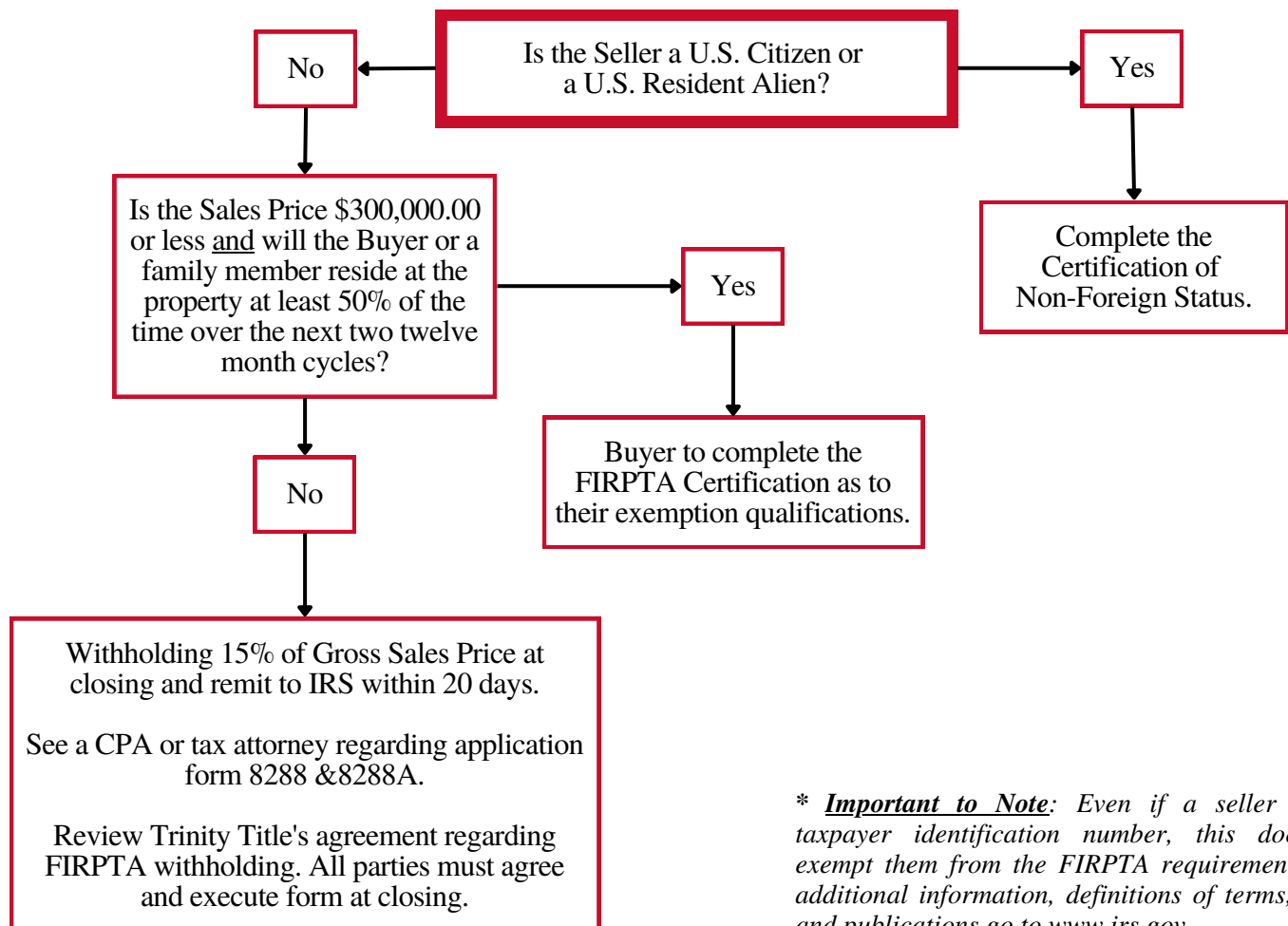
Under IRS regulations, a Foreign Seller(s) may be subject to a 15% withholding of the Gross Sales Price, unless the Seller(s) or the transaction is exempt from the withholding. A foreign person includes a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, foreign estate, and any other person that is not a U.S. person, as defined by the IRS Code.

Most common exemption:

- Sales Price is \$300K or less and the Buyer (an individual) or a family member will reside at the property at least 50% of the number of days during each of the first two twelve month periods after sale.

Other Exemptions that may apply are:

- Seller to provide a "Certification of Non-Foreign Status".
- Seller receives a Withholding Certificate from the IRS prior to closing of escrow, waiving or limiting the required withholding.
- Seller is resident alien.



*\* **Important to Note:** Even if a seller has a taxpayer identification number, this does not exempt them from the FIRPTA requirements. For additional information, definitions of terms, forms and publications go to [www.irs.gov](http://www.irs.gov).*