



FIRPTA FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT

Is Seller a US Citizen, Resident or Entity?

NO
Seller is **NOT** a US Citizen, Resident or Entity

YES
Complete Federal Certification of Non-foreign status

Foreign Investment in Real Property Tax Act of 1980 (FIRPTA)
The Internal Revenue Code (IRC) Section 1445 requires the buyer who purchases real property from a foreign seller to withhold 10% or 15% of the sales price and remit the amount along with the required documents to the IRS unless certain exceptions apply. The applicable percentage will depend upon the sales price and whether the buyer or buyer's family member intends to use the real property as a residence.

Is Seller recognizing a gain of less than 10% (ex., selling at a loss)?

YES
Consult with a CPA or tax professional regarding Form 8288-B and IRS withholding certificate. Additional documents will be required by escrow.

NO

SALES PRICE \$1,000,001 OR OVER

15% Withholding

SALES PRICE \$300,001 TO \$1,000,000

Does Buyer have definite plans to use the property as a residence*?

YES
10% Withholding
Buyer to complete residence declaration.

NO
15% Withholding

SALES PRICE \$300,000 OR LESS

Does Buyer have definite plans to use the property as a residence*?

YES
0% Withholding
Buyer to complete residence declaration.

NO
15% Withholding

*Buyer or member of buyer's family must have definite plans to reside in the property for at least 50% of the number of days the property is used by any person during each of the first two 12-month periods following the date of transfer.