

# REALTY TRANSFER CERTIFICATE

## Confidential Tax Document

**WHO MUST FILE** – Any party transferring real property regardless of whether the transfer is or is not evidenced by deed or instrument or any party presenting an instrument or deed evidencing a transfer of real estate for recording. Real estate includes land, growing timber, buildings, structures, fixtures, fences and improvements affixed to land.

**YOU MAY OWE INCOME TAXES** – Any gain on this transfer is Montana source income and should be reported to the Department of Revenue on the appropriate income tax return.

**WHEN AND WHERE TO FILE** – The completed Realty Transfer Certificate must be filed with the County Clerk and Recorder when the instrument or deed evidencing a transfer of real estate is presented for recording.

If the transfer is by operation of law, then a Realty Transfer Certificate with the required supporting documentation should be filed with the local Department of Revenue office. See Part 4 for further information.

**The Department of Revenue will change the ownership record when this form is fully completed and signed by the preparer.**

### PART 1 – DATE OF TRANSFER (SALE)

This should be the date on which the instrument or deed was executed (the date the instrument or deed was signed by the Seller (Grantor) and Buyer (Grantee) unless otherwise specified in the deed or date of decedent's death). Contracts for Deed and Notices of Purchaser's Interest should use the date the contract or notice was initially effective.

### PART 2 – PARTIES

**Seller (Grantor)/ Buyer (Grantee):** Enter the names of the Seller (Grantor) and Buyer (Grantee) exactly as they appear on the transferring document. Business organizations, corporations, trusts, etc. should enter their name(s) exactly as it appears on the transferring document.

**Addresses:** For the Seller (Grantor), enter the current mailing address. The Seller (Grantor) and the Buyer (Grantee) are requested to mark Yes or No to indicate if the property subject to this transfer has been or will be the location of their principal residence. A principal residence is a residential dwelling that was occupied, in the case of the Seller (Grantor), or will be occupied, in the case of the Buyer (Grantee), for at least 7 months. The Buyer (Grantee) must enter the permanent mailing address. If the tax notice is to be sent to a different mailing address, please complete the additional mailing information.

**SSN or FEIN:** For individuals, provide the last four digits of the social security number of all legal owners named in the transferring document. Business organizations, corporations, trusts, etc., provide the last four digits of the federal ID number(s) of the legal entity(ies) named in the transferring document. See 15-1-201, MCA and 42 USC 405(c)(2)(C)(i)(iv). The Department of Revenue uses personal identification numbers to cross match Realty Transfer Certificates with income tax returns to verify taxpayer compliance on gains from real estate sales or transfers and to identify delinquent taxpayers. Additional SSN or FEIN numbers (last four digits) may be provided on an attachment.

**Daytime Phone and Email Address:** Enter phone numbers and email addresses for both the Seller (Grantor) and Buyer (Grantee).

### PART 3 – PROPERTY DESCRIPTION

This section identifies the parcel that is being transferred by location and is the legal description found on the instrument or deed conveying the real estate or the abstract to the real estate.

The property description may be provided on an attachment and can be identified by checking the applicable box.

### PART 4 – DESCRIPTION OF TRANSFER (Please refer to *When and Where to File* above.)

Check the box(es) that describes the transfer for which an instrument is to be recorded with the County Clerk and Recorder.

**Transfer by Operation of Law:** Check the box(es) that apply to the type of transfer. A copy of the following applicable documentation must be attached to the Realty Transfer Certificate:

- Termination of joint tenancy or life estate by death – copy of the certified death certificate.
- Court Decree – certified copy of the order or decree requiring the transfer.
- Merger, consolidation or other business reorganization – plan of reorganization filed with the Secretary of State.
- Name change only – documents filed with the Secretary of State to accomplish the name change.

### PART 5 – EXCEPTION FROM PROVIDING SALES PRICE INFORMATION

If any of the exceptions listed apply to this transfer, check the appropriate box and do not complete Section 6. If you are unsure whether this transaction should be defined as an exception or if you have any other questions concerning exception status, request a determination from your local Department of Revenue office.

### PART 6 – SALE INFORMATION (If there is no exception checked in Part 5, you must complete this section.)

**Confidentiality: Sale information is confidential and for official use by the Department of Revenue only.**

Enter the total purchase price paid for the sale parcel. This should include cash, mortgages, property traded, liabilities assumed, leases, easements and personal property.

**Financing:** If you paid cash for the entire sale parcel, check the box for Cash. If you financed the property by receiving a loan, check the appropriate box: Federal Housing Administration (FHA) Loan, Veterans Administration (VA) Loan or Conventional. If this was a contract for deed or trust indenture, check the box for Contract. If there was some other type of financing used such as a Montana Board of Housing Loan, trade of property, etc. check the box for Other. Also, indicate whether this was a new loan or an assumption of an existing loan.

**Personal Property:** Enter the dollar amount of any personal property included with the sale of this parcel. Personal property includes furniture and fixtures, business and farm equipment, livestock, recreational vehicles, leases and easements, and mobile homes. Anything that is permanently attached to the real estate should not be included. Negligible personal property included in a residential sale need not be reported.

**SID (Special Improvement District – liens levied against the property for amenities like street paving, sewers, water systems, etc.):** Answer the questions by checking the appropriate boxes, and include the amount of the SID paid or assumed.

**Value of Inventory:** Provide the value of any business inventory that was included in the sales price.

**Value of Licenses:** Provide the value of any licenses included in the sales price, i.e., liquor licenses, gambling licenses, etc.

**Value of Good Will:** Provide the value of Good Will included in the sale price. (Good Will is defined as "the economic advantage over competitors that a business has acquired by virtue of habitual patronage of customers.")

**PART 7 – WATER RIGHTS DISCLOSURE** – This disclosure must be completed and signed by the Seller (Grantor) or the Seller's legally appointed agent if box B, C or D is checked. Seller's (Grantor) signature is not required if box A is checked. If Box D has been checked, the Certification of Water Right Ownership Update, Form 640 (page 5), must also be signed by the Seller (Grantor), the Buyer (Grantee), and the escrow agent (if applicable) for the deed or instrument to be recorded by the County Clerk and Recorder. Refer to page 2 for further information about the disclosure.

**PART 8 – PREPARER INFORMATION** – All Realty Transfer Certificates must be signed and dated by the preparer. By his/her signature, the preparer indicates the information provided is true and correct to the best of his/her knowledge, that the Seller (Grantor) and the Buyer (Grantee) have examined the completed Realty Transfer Certificate and agree the information contained within is correct and accurate.