FIRPTA

FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT

Is Seller a US Citizen or a US Resident?

→ ✔ **YES** — Complete Certification of Nonforeign Status

↓ ✘ **NO**

→ Does the Buyer have definite plans to use the property as his residence and sale price does not exceed $300,000?**

→ ✘ **NO** — Buyer should request for 10% withholding

→ ✔ **YES** — Complete buyer's declaration for $300,000 residence exemption form

↓ Is Seller recognizing a gain of less than the 10%?

→ ✘ **NO** — Buyer should request for 10% withholding

↓ ✔ **YES**

- See your CPA or tax attorney regarding application form 8288B for an IRS Withholding Certificate.
- Carefully review First American Title's agreement concerning FIRPTA withholding. All parties, including seller's tax professional, must agree and execute this agreement.
- Escrow provides an estimated seller statement.

***NOTE:** Escrow will withhold 10% pending receipt of Withholding Certificate, unless the parties agree otherwise.

****IRS REQUIRES:** The buyer acquires the property for use as a home and the amount realized (sales price) is not more than $300,000. The buyer or a member of their family must have definite plans to reside at 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. When counting the number of days the property is used, do not count the days the property will be vacant.

First American Title™

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