



New Effective Date for Legislation Impacting Certain Industrial Development Agency/Authority Mortgages

This TSB-M explains that the effective date of Chapter 394 of the Laws of 2016 has been changed from September 30, 2016, to July 1, 2017.

As explained in [TSB-M-16\(1\)R](#), *Industrial Development Agencies and Authorities in Transportation Districts No Longer Exempt from the Additional Mortgage Recording Tax*, Chapter 394 of the Laws of 2016 amended the Tax Law to provide that a mortgage of real property executed, given, made, transferred, or assigned by or to an IDA,¹ an agent of an IDA, or an entity receiving financial assistance from an IDA (IDA mortgage), is not exempt from the additional mortgage recording tax imposed by Tax Law section 253(2) when the real property that is subject to the mortgage is located in a county that is part of a transportation district.

Chapter 3 of the Laws of 2017 changed the effective date of Chapter 394 from September 30, 2016, to July 1, 2017. Accordingly, IDA mortgages will **not** be exempt from the additional mortgage recording tax if they are recorded on or after July 1, 2017, even if the mortgage recording tax exemption was authorized by the IDA before July 1, 2017.

Except as provided below, if the additional mortgage recording tax was paid on an IDA mortgage recorded on or after September 30, 2016, but prior to July 1, 2017, a taxpayer may claim a refund by filing [Form MT-15.1](#), *Mortgage Recording Tax Claim for Refund*. Form MT-15.1 must be filed with the Tax Department within two years of the date the payment of taxes was received by the recording officer.

No exemption or refund is allowed for any mortgage recording taxes where the IDA authorized such exemption after the mortgage has been recorded.

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.

¹ For purposes of this memorandum, *IDA* refers to either an industrial development agency or industrial development authority or both.