

**New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301**

**TECHNICAL INFORMATION RELEASE
TIR 2014-010 Date December 1, 2014**

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Central Tax Services at (603) 230-5920.

**Discontinued Acceptance of Prior Versions of Real Estate Transfer Tax Forms
Beginning January 1, 2015**

The New Hampshire Department of Revenue Administration (“Department”) issues this Technical Information Release (“TIR”) to announce that the Department will no longer accept prior versions of certain Real Estate Transfer Tax (“RETT”) forms beginning January 1, 2015 and to provide guidance regarding the Department’s RETT forms and the filing process.

A. Real Estate Transfer Tax Forms Generally

RSA 78-B imposes the RETT on the “sale, granting and transfer of real estate or any interest therein...” to be paid by both the purchaser and the seller. Pursuant to RSA 78-B:4, the RETT is paid to the registry of deeds for the county where the property is located and is evidenced by the application of stamps to the recording instrument. In addition to paying the RETT, RSA 78-B:10, I requires both the purchaser and the seller to individually file a RETT return with the Department. The purchaser’s return is the CD-57-P, “Real Estate Transfer Tax Declaration of Consideration Real Estate Purchaser (Grantee).” The seller’s return is the CD-57-S, “Real Estate Transfer Tax Declaration of Consideration Real Estate Seller (Grantor).” Separate returns are necessary to maintain the confidentiality of the purchaser’s and the seller’s tax information. If errors arise on the purchaser’s return, the Department may then send the return back to the purchaser for correction without disclosing the seller’s confidential tax information to the purchaser and vice versa.

As a reminder, the forms CD-57-P and CD-57-S are tax returns, pursuant to N.H. Code of Admin. Rules, Rev 2902.06 and Rev 2904.08. Rev 2904.08 requires the use of the Department’s tax forms and mandates that certain information is required on the forms, including the taxpayer’s taxpayer identification number (e.g., Social Security Number, Federal Employer Identification Number, or Department Identification Number). If all required information is not provided on a form, the form will be rejected, pursuant to Rev 2904.08(j).

Lastly, the purchaser must file an original form PA-34, “Inventory of Property Transfer” with the Department, pursuant to RSA 74:18, for the equalization of property values. A copy of

the form PA-34 must also be filed with the local assessing officials of the municipality where the property is located.

B. 2014 Real Estate Transfer Tax Form Changes

In January 2014, the Department modified the CD-57-P, CD-57-S and PA-34 to reflect the standardized formatting of other modernized Department forms and the standard industry formatting required for form scanning. Although there were no significant changes to the information required to be reported on these forms, there were formatting changes to the forms to accommodate the Department's scanning and electronic administration of the forms. The updated RETT forms were expanded from one page to four pages, including the signature page, and a barcode and corner "anchors" in the form of black dots were added to allow the Department to scan the RETT forms for modernized electronic processing. For additional information on the changes made to the RETT forms, please refer to TIR 2014-001 issued on January 30, 2014.

The primary benefit of the updated forms is that the forms can be filled in electronically by the taxpayers or tax practitioners and then printed with a barcode that allows the Department to then scan the forms and electronically extract the reported information for more efficient tax administration. However, taxpayers and tax practitioners who prefer to handwrite some or all of the RETT forms may continue to do so.

C. Discontinued Acceptance of Prior Versions of Real Estate Transfer Tax Forms

The Department continues to receive prior versions of the forms CD-57-S, CD-57-P and PA-34. In order to process all RETT forms effectively and efficiently, the Department must discontinue acceptance of prior versions of the CD-57-S, CD-57-P and PA-34. Therefore, **beginning January 1, 2015, the Department will not accept prior versions of the CD-57-S, CD-57-P and PA-34.** The current version of the Department's forms can be obtained from the Department's website: www.revenue.nh.gov or by calling the Forms Line at (603) 230-5001.

Please be advised that, pursuant to RSA 78-B:10, IV, the CD-57-S, CD-57-P and PA-34 must be filed no later than 30 days from the date of the transfer or recording of the deed, whichever is later. Any taxpayer who fails to file a return when due is subject to penalties equal to the greater of 5% of the amount of tax due or \$10, for each month or part of a month a return remains unfiled (not to exceed the greater of 25% of the tax due or \$50). See RSA 21-J:31. Beginning January 1, 2015, returns filed using prior versions of the RETT forms will be rejected pursuant to Rev 2904.08(j), potentially subjecting the taxpayer to the failure to file penalty if the correct form is not received by the deadline found in RSA 78-B:10, IV.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 230-5000.