



# GENERAL INSTRUCTIONS

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**Recording Requirements:** A real estate company or family farm corporation must record a Realty Transfer Tax Declaration of Acquisition within 30 days after becoming an "acquired company."

- **Real Estate Company** - A real estate company becomes an acquired company when 90% or more of the company's total ownership interest has been transferred within a period of three (3) years.
- **Family Farm Corporation** - (applicable only to real estate acquired after February 16, 1986) - A family farm corporation becomes an acquired company when because of voluntary or involuntary dissolution, it ceases to be a family farm corporation or when, because of issuance or transfer of stock or because of acquisition, change in use, or transfer of assets that are devoted to the business of agriculture, it fails to meet the minimum requirements of a family farm corporation.

## INSTRUCTIONS FOR COMPLETING REALTY TRANSFER TAX DECLARATION OF ACQUISITION

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**General:** This declaration must be filed in duplicate with the applicable recorder(s) of deeds.

**Section A Correspondent:** Enter the name, address and telephone number of party completing this form.

**Section B Transfer Data:** Complete lines 1 through 5 as indicated.

**Section C Property Location:** List **only** those parcels of real estate located in the county in which **this form** is being recorded. Itemize each parcel by school district location. Indicate the political subdivision in which each parcel is located and the tax parcel number where applicable.

**Section D Property Valuation:** Complete for each of the parcels of real estate itemized in Section C.

1. **County Assessed Value** - Enter the actual assessed value of the property as per records of the county assessment office.
2. **Common Level Ratio Factor** - Enter the common level ratio valuation factor applicable for the county in which this form is being recorded. An explanation of this factor is provided below.
3. **Fair Market Value** - Multiply the county assessed value (Column 1) by the common level ratio factor (Column 2) and enter the result in Column 3. Compute the fair market value for each itemized parcel.
4. **Total Fair Market Value** - Add all amounts entered in Column 3 and enter the total in block 4. This is the total taxable value upon which state realty transfer tax is due.

**THIS DECLARATION MUST BE SIGNED BY A RESPONSIBLE PERSON CONNECTED WITH THE TRANSACTION.**

### COMMON LEVEL RATIO FACTOR

This is a property valuation factor established for each county by the State Tax Equalization Board, as mandated by Act 267-1982. The factors are ratios of assessed values to fair market values as reflected by actual sales of real estate in the taxing district. This valuation formula has been developed to provide uniformity in the taxing of properties statewide. These valuation factors are updated each year, and a statewide list can be obtained from the Recorder of Deeds in each county.

### PENALTY FOR FAILURE TO RECORD DECLARATION OF ACQUISITION

When a Declaration of Acquisition is not recorded within 30 days after becoming an acquired company, a penalty in the amount of 5% of the realty transfer tax due is imposed for each month or fraction thereof in which the tax remains delinquent, but not to exceed 50% in the aggregate.