

# Property Transfer Tax Surcharge for the Clean Water Fund

This fact sheet explains the property transfer tax surcharge for the Clean Water Fund.

## Clean Water Surcharge on Property Transfers

For Vermont property transfer closings on or after **June 17, 2015**, there is a Clean Water surcharge\* of 0.2% on the value of property subject to the property transfer tax. 32 V.S.A. § 9602a. Revenue generated by the surcharge is deposited in the Clean Water Fund.

The surcharge is on the value of the property where the 1.25% rate currently applies, with one exception (see chart below). When combined, the property transfer tax rate and the surcharge will total 1.45%.

You can file and pay using Form PT-172 or on the electronic property transfer tax return filing system (ePTTR). Both are available on the Department website at [www.tax.vermont.gov](http://www.tax.vermont.gov).

**All property transfers made on or after June 17, 2015, must use the new form and pay the surcharge, if applicable.**

Transferees that fail to pay the correct amount of property transfer tax or the surcharge may be subject to further billing with penalties and interest.

## Special Rates for Some Transfers

Special rates apply to the following transfers:

1. The first \$100,000 of value for a purchaser's principal residence is subject to the property transfer tax rate of 0.5%. The surcharge does not apply to the first \$100,000 of value. Any amount over \$100,000 will be assessed at 1.25% plus the 0.2% surcharge for a total of 1.45%, which includes property transfer tax and the surcharge (see chart below).

2. If the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund, or if the purchaser obtains a purchase money mortgage that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase:

- Property transfer tax does not apply to the first \$110,000 of value.
- Property transfer tax applies to the value between \$110,000 and \$200,000. The rate to be used here is 1.25%.
- Property transfer tax and the surcharge both apply to the value over \$200,000. The total rate is 1.45% (see chart below).

When to Apply the Property Transfer Tax and the Clean Water Surcharge				
Type of Property	Value Taxed	0.5% Property Transfer Tax	1.25% Property Transfer Tax	0.2% Clean Water Surcharge
Not Principal Residence	All		X	X
Principal Residence	\$0 - \$100,000	X		
	Marginal Value > \$100,000		X	X
Principal Residence purchased with VHFA, VCTF, or USDA Assistance	\$0 - \$110,000			
	\$110,000 - \$200,000		X	
	Marginal Value > \$200,000		X	X



Disclaimer: This fact sheet is intended to provide an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information provided in this fact sheet.

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