

# FIRPTA

## Foreign Investment In Real Property Tax Act

What are the withholding requirements when a seller is not a U.S. Citizen or U.S. Resident?

DOES THE BUYER HAVE DEFINITE PLANS  
TO USE THE PROPERTY AS THEIR RESIDENCE\*?

NO

Buyer is required by law to withhold  
15% of the purchase price.

**NOTE:** If the seller believes they may be eligible for an IRS Withholding Certificate, they should contact a CPA or tax attorney regarding application form 8288-B in order to obtain a determination from the IRS whether a lesser amount is due.

\*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.

YES

What is the sales price?

\$300,000  
or less

Complete buyer's  
declaration for  
\$300,000  
residence  
exemption form.

More than  
\$300,000, but  
not more than  
\$1 Million

Buyer is required  
by law to withhold  
10% of the  
purchase price.

More than  
\$1 Million

Buyer is required  
by law to withhold  
15% of the  
purchase price.

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