



MEMORANDUM

TO: REF Review Attorneys.

DATE: 7/18/86

FROM: Mary Sabatini DiStephan. *msd*RE: NYC "Pan Am" Local Law Amendment to Administrative Code Section II 46.1.0 et seq (authorized by Ch. 915 of the Laws of 1981)

The new local law which I distributed at our staff meeting last Wednesday was signed into law on July 8, 1986 and is effective as to all transfers that are made on or after the fifth day succeeding the effective date, i.e., July 13, 1986.

Please note that the tax applies to sponsors or to sellers of coop apartments who do not use these apartments as residences. (The local law and tax already applied to condos.) Note particularly at Section II 46-4.0 that although the obligation to pay the tax is on the grantor (sponsor, holder of unsold shares, syndication), the grantee (purchaser) could be liable in the event that the amount of tax due is not paid by the grantor. This fact should be disclosed in coop offering plans, particularly in post closing amendments where holders of unsold shares will have tax liability and will not be able to take advantage of the credit allowed for real property transfer taxes paid within the preceding 24 months as a result of the conveyance of the property to the coop corporation.

This problem does not really arise in condominiums where the deed cannot be recorded without the tax having been paid or an exemption granted.

Attached is a copy of the amended law. If you have any questions, see me.

MSD/kd

THE COUNCIL

The City of New York

Int. No. 67

January 22, 1986

Introduced by Council Member DeMarco (by request of the Mayor); also Council Members Ferrer and Leffler—read and referred to the Committee on Finance.

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to extending the coverage and application of the real property transfer tax imposed by title II of chapter forty-six of such code to include transfers of economic interests in real property.

Be it enacted by the Council as follows:

1 Section 1. Section II46-1.0 of title II of chapter forty-six of the administrative code of the city of
2 New York, as amended by local law number thirty-six for the year nineteen hundred eighty-two, is
3 amended to read as follows:

4 §II46-1.0 Definitions.—When used in this title the following terms shall mean or include:

5 1. "Person." An individual, partnership, society, association, joint stock company, corpora-
6 tion, estate, receiver, trustee, assignee, referee or any other person acting in a fiduciary or representa-
7 tive capacity, whether appointed by a court or otherwise, any combination of individuals, and any
8 other form of unincorporated enterprise owned or conducted by two or more persons.

9 2. "Deed," Any document [, instrument] or writing (other than a will), regardless of where
10 made, executed or delivered, whereby any real property or interest therein is created, vested, granted,
11 bargained, sold, transferred, assigned or otherwise conveyed, including any such document [, instru-
12 ment] or writing whereby any leasehold interest in real property is granted, assigned or surrendered.

13 3. "Instrument." *Any document or writing (other than a deed or a will), regardless of where*
14 *made, executed or delivered, whereby any economic interest in real property is transferred.*

15 4. "Transaction." *Any act or acts, regardless of where performed, and whether or not reduced*
16 *to writing, unless evidenced by a deed or instrument, whereby any economic interest in real property*
17 *is transferred (other than a transfer pursuant to the laws of interstate succession).*

18 [3] 5. "Real property [or interest therein]." Every estate or right, legal or equitable, present or
19 future, vested or contingent, in lands, tenements or hereditaments, which are located in whole or in

Note: Matter in *italics* is new; matter in brackets [] to be omitted.

1 part within the city of New York. It shall not include a mortgage, a release of mortgage or, for
2 purposes of paragraph (3) and subparagraphs (ii) and (iii) of paragraph (7) of section 11-6-2.0 of this
3 title, a leasehold interest in a one, two or three-family house or an individual dwelling unit in a
4 dwelling which is to be occupied or is occupied as the residence or home of four or more families
5 living independently of each other. It shall not include rights to sepulture.

6 6. "Economic interest in real property." *The ownership of shares of stock in a corporation*
7 *which owns real property; the ownership of an interest or interests in a partnership, association or*
8 *other unincorporated entity which owns real property; and the ownership of a beneficial interest or*
9 *interests in a trust which owns real property.*

10 7. "Transfer" or "transferred." *When used in relation to an economic interest in real prop-*
11 *erty, the terms "transfer" or "transferred" shall include the transfer or transfers or issuance of*
12 *shares of stock in a corporation, interest or interests in a partnership, association or other*
13 *unincorporated entity, or beneficial interests in a trust, whether made by one or several persons, or*
14 *in one or several related transactions, which shares of stock or interest or interests constitute a*
15 *controlling interest in such corporation, partnership, association, trust or other entity.*

16 8. "Controlling interest." *In the case of a corporation, fifty percent or more of the total*
17 *combined voting power of all classes of stock of such corporation, or fifty percent or more of the*
18 *total fair market value of all classes of stock of such corporation; and, in the case of a partnership,*
19 *association, trust or other entity, fifty percent or more of the capital, profits or beneficial interest in*
20 *such partnership, association, trust or other entity.*

21 [4] 9. "Consideration." *The price actually paid or required to be paid for the real property or*
22 *economic interest therein, without deduction for mortgages, liens or encumbrances, whether or not*
23 *expressed in the deed or instrument and whether paid or required to be paid by money, property, or*
24 *any other thing of value. It shall include the cancellation or discharge of an indebtedness or*
25 *obligation. It shall also include the amount of any mortgage, lien or other encumbrance, whether or*
26 *not the underlying indebtedness is assumed.*

27 [5] 10. "Net consideration." *Any consideration, exclusive of any mortgage or other lien or*
28 *encumbrance on the real property or interest therein which existed before the delivery of the deed and*
29 *remains thereon after the delivery of the deed.*

30 [6] 11. "Comptroller." *The comptroller of the city of New York.*

1 [7] 12. "Director of finance[.]" or "commissioner of finance." The [director] commissioner of
2 finance of the city of New York.

3 [8] 13. "City." The city of New York.

4 [9] 14. "Grantor." The person or persons making, executing or delivering the deed. *The term*
5 *"grantor" also includes the person or persons who transfer an economic interest in real property.*

6 [10] 15. "Grantee." The person or persons accepting the deed or who [obtains] *obtain* any of
7 the real property which is the subject of the deed or any interest therein. *The term "grantee" also*
8 *includes the person or persons to whom an economic interest in real property is transferred.*

9 [11] 16. "Affixed." Includes attached or annexed by adhesion, [stapled] *stapling* or otherwise,
10 or a notation by stamp, imprint or writing.

11 [12] 17. "Register." Includes the city register and the county clerk of the county of Richmond.

12 §2. Section II46-2.0 of such title, chapter and code, as amended by local law number thirty-six
13 for the year nineteen hundred eighty-two, is amended to read as follows:

14 §II46-2.0. **Imposition of tax.**—a. A tax is hereby imposed on each deed at the time of delivery
15 by a grantor to a grantee when the consideration for the real property and any improvement thereon
16 (whether or not included in the same deed) exceeds twenty-five thousand dollars. the tax shall be:

17 (1) at the rate of one-half of one per centum of the net consideration with respect to convey-
18 ances made before July first, nineteen hundred seventy-one, or made in performance of a contract
19 therefor executed before such date;

20 (2) at the rate of one per cent of such net consideration with respect to—

21 (i) all conveyances made on or after July first, nineteen hundred seventy-one and before
22 February first, nineteen hundred eighty-two, or made in performance of a contract therefor
23 executed during such period.

24 (ii) conveyances made on or after February first, nineteen hundred eighty-two and before
25 July first, nineteen hundred eighty-two of one, two or three-family houses and individual
26 residential condominium units, and

27 (iii) conveyances made on or after February first, nineteen hundred eighty-two and before
28 July first, nineteen hundred eighty-two where the consideration is less than five hundred thou-
29 sand dollars (other than grants, assignments or surrenders of leasehold interests in real property
30 taxable under paragraph (3) of this section;

1 (3) at the rate of one percent of the consideration with respect to grants, assignments or
2 surrenders of leasehold interests in real property made on or after February first, nineteen hundred
3 eighty-two and before July first, nineteen hundred eighty-two where the consideration is five hundred
4 thousand dollars or more. provided, however, that for purposes of this paragraph (3) the amount
5 subject to tax in the case of a grant of a leasehold interest in real property shall be only such amount
6 as is not considered rent for purposes of the tax imposed by title L of this chapter;

7 (4) at the rate of two percent of the consideration with respect to all other conveyances made on
8 or after February first, nineteen hundred eighty-two and before July first, nineteen hundred eighty-
9 two, except that, for purposes of this paragraph (4), where the consideration includes the amount of
10 any mortgage or other lien or encumbrance on the real property or interest therein which existed
11 before the delivery of the deed and remains thereon after the delivery of the deed, the portion of the
12 consideration ascribable to such mortgage, lien or encumbrance shall be taxed at the rate of one
13 percent, and only the balance of such consideration shall be taxed at the rate of two percent;

14 (5) at the rate of one percent of the consideration with respect to conveyances made on or after
15 July first, nineteen hundred eighty-two of one, two or three-family houses and individual residential
16 condominium units;

17 (6) at the rate of one percent of the consideration with respect to conveyances made on or after
18 July first, nineteen hundred eighty-two where the consideration is less than five hundred thousand
19 dollars (other than grants, assignments or surrenders of leasehold interests in real property taxable as
20 hereafter provided);

21 (7)(i) at the rate of one percent of the consideration with respect to a grant, assignment or
22 surrender, made on or after July first, nineteen hundred eighty-two, of a leasehold interest in a one,
23 two or three-family house or an individual dwelling unit in a dwelling which is to be occupied or is
24 occupied as the residence or home of four or more families living independently of each other.

25 (ii) at the rate of one percent of the consideration with respect to grants, assignments or
26 surrenders of leasehold interests in real property made on or after July first, nineteen hundred eighty-
27 two where the consideration is less than five hundred thousand dollars, or

28 (iii) at the rate of two percent of the consideration with respect to grants, assignments or
29 surrenders of leasehold interests in real property made on or after July first, nineteen hundred eighty-
30 two where the consideration is five hundred thousand dollars or more.

1 (iv) provided, however, that for purposes of subparagraphs (i), (ii) and (iii) of this paragraph
2 (7), the amount subject to tax in the case of a grant of a leasehold interest shall be only such amount
3 as is not considered rent for purposes of the tax imposed by title L of this chapter: and

4 (8) at the rate of two percent of the consideration with respect to all other conveyances made on
5 or after July first, nineteen hundred eighty-two.

6 Where any real property is situated partly within and partly without the boundaries of the city of
7 New York the consideration and net consideration subject to tax shall be such part of the total
8 consideration and total net consideration attributable to that portion of such real property situated
9 within the city of New York or to the interest in such portion.

10 *b. (1) In addition to the taxes imposed by subdivision a, there is hereby imposed a tax on each*
11 *instrument or transaction (unless evidenced by a deed subject to tax under subdivision a), at the time*
12 *of the transfer, whereby any economic interest in real property is transferred by a grantor to a*
13 *grantee, where the consideration exceeds twenty-five thousand dollars. The tax shall be (i) at the rate*
14 *of one percent of the consideration where the real property the economic interest in which is*
15 *transferred is a one, two or three-family house, an individual cooperative apartment, an individual*
16 *residential condominium unit or an individual dwelling unit in a dwelling which is to be occupied or*
17 *is occupied as the residence or home of four or more families living independently of each other, or*
18 *where the consideration for the transfer is less than five hundred thousand dollars, and (ii) at the*
19 *rate of two percent of the consideration with respect to all other transfers. Where any real property,*
20 *the economic interest in which is transferred, is situated partly within and partly without the*
21 *boundaries of the city of New York, the consideration subject to tax shall be such part of the*
22 *consideration as is attributable to that portion of such real property which is situated within the city*
23 *of New York.*

24 *(2) Notwithstanding the definition of "controlling interest" contained in paragraph eight of*
25 *section 1146-1.0 or anything to the contrary contained in paragraph seven of that section, in the case*
26 *of any transfer of shares of stock in a cooperative housing corporation in connection with the grant*
27 *or transfer of a proprietary leasehold, the tax imposed by this subdivision shall apply to (i) the*
28 *original transfer of such shares of stock by the cooperative corporation or cooperative plan sponsor,*
29 *and (ii) the subsequent transfer of such shares of stock by the owner thereof, if such owner held such*
30 *shares in connection with, incidental to or in furtherance of a trade, business, profession, occupation*
31 *or commercial activity engaged in or conducted by him or it. In determining the tax on a transfer*

1 described in clause (i) of this paragraph, a credit shall be allowed for a proportionate part of the
2 amount of any tax paid upon the conveyance to the cooperative housing corporation of the land and
3 building or buildings comprising the cooperative dwelling or dwellings. Such proportionate part shall
4 be the amount determined by multiplying the amount of tax paid upon the conveyance to the
5 cooperative housing corporation by a fraction, the numerator of which shall be the number of shares
6 of stock transferred in a transaction described in clause (i) and the denominator of which shall be the
7 total number of outstanding shares of stock of the cooperative housing corporation (including any
8 stock held by the corporation). In no event, however, shall such credit reduce the tax on a transfer
9 described in clause (i) below zero, nor shall any such credit be allowed for any tax paid more than
10 twenty-four months prior to the date on which occurs the first in a series of transfers of shares of
11 stock in an offering of cooperative housing corporation shares described in clause (i).

12 c. (1) Nothing to the contrary notwithstanding, in the case of any conveyance or transfer of real
13 property or any economic interest therein in complete or partial liquidation of a corporation,
14 partnership, association, trust or other entity. The taxes imposed by this section shall be measured by
15 (i) the consideration for such conveyance or transfer, or (ii) the value of the real property or
16 economic interest therein, whichever is greater.

17 (2) If, within twenty-four months following the transfer of an economic interest in real property
18 which is subject to the tax imposed by this title, the corporation, partnership, association, trust or
19 other entity owning the real property the economic interest in which was so transferred, is liquidated,
20 and such real property is conveyed to the grantee or grantees of such economic interest, a credit
21 shall be allowed against the tax imposed by this title upon such conveyance in liquidation to such
22 grantee or grantees. The amount of such credit shall be equal to the amount of the tax paid upon the
23 prior transfer of the economic interest in such real property, but shall in no event be greater than the
24 tax payable upon the conveyance in liquidation.

25 d. If a transaction subject to the taxes imposed by this section includes assets in addition to
26 real property or interest therein, and there is no apportionment made in good faith of the
27 consideration for such real property or interest and such assets, the tax shall be on that part of
28 the total consideration which the value of the real property or interest therein bears to the value
29 of all such assets, including such real property or interest.

1 § 3. Section II46-3.0 of such title, chapter and code, as added by local law number
2 seventy-eight for the year nineteen hundred sixty-five, is amended to read as follows:

3 § II46-3.0 **Presumptions and burden of proof.**—For the purpose of the proper admin-
4 istration of this title and to prevent evasion of the tax hereby imposed, it shall be presumed that
5 all deeds *and transfers of economic interests in real property* are taxable. Where the {net}
6 consideration includes property other than money, it shall be presumed that the consideration is
7 the value of the real property or interest therein. Such presumptions shall prevail until the
8 contrary is established and the burden of proving the contrary shall be on the taxpayer. The
9 burden of proving that a lien or encumbrance existed on the real property or interest therein
10 before the delivery of the deed and remained thereon thereafter and the burden of proving the
11 amount of such lien or encumbrance at the time of the delivery of the deed shall be on the
12 taxpayer.

13 § 4. Section II46-4.0 of such title, chapter and code, as amended by chapter three hundred
14 eight-five of the laws of nineteen hundred eighty-five, is amended to read as follows:

15 § II46-4.0 **Payment.**—The tax imposed hereunder shall be paid by the grantor to the
16 commissioner of finance at the office of the register in the county where the deed is or would be
17 recorded within thirty days after the delivery of the deed by the grantor to the grantee but before
18 the recording of such deed, *or, in the case of a tax on the transfer of an economic interest in*
19 *real property, at such place as the commissioner of finance shall designate, within thirty days*
20 *after the transfer.* The grantee shall also be liable for the payment of such tax in the event that
21 the amount of tax due is not paid by the grantor or the grantor is exempt from tax. All moneys
22 received as such payments by the register during the preceding month shall be transmitted to the
23 commissioner of finance on the first day of each month or on such other day as is mutually
24 agreeable to the commissioner of finance and the register. From the moneys so received by him,
25 the commissioner of finance shall set aside in a special account:

26 (1) the total amount of taxes imposed pursuant to the provisions of paragraph (3) of
27 *subdivision a of* section II46-2.0 of this title, including any interest or penalties thereon;

28 (2) fifty percent of the total amount of taxes imposed pursuant to the provisions of para-
29 graph (4) of *subdivision a of* section II46-2.0 of this title, including fifty percent of any interest
30 or penalties thereon, provided, however, that where such tax is measured by the consideration
31 for a conveyance without deduction for the amount of any mortgage or other lien or encum-

1 brance on the real property or interest therein which existed before the delivery of the deed and
2 remains thereon after the delivery of the deed, the entire amount of tax imposed at the rate of
3 one percent on the portion of the consideration ascribable to such nondeductible mortgage, lien
4 or other encumbrance, including any interest or penalties thereon, and fifty percent of the tax on
5 the balance of the consideration, including fifty percent of any interest or penalties thereon, shall
6 be set aside in such special account:

7 (3) fifty percent of the total amount of taxes imposed pursuant to the provisions of
8 subparagraph (iii) of paragraph (7) of *subdivision a* of section 1146-2.0 of this title, including
9 fifty percent of any interest or penalties thereon; [and]

10 (4) fifty percent of the total amount of taxes imposed pursuant to the provisions of para-
11 graph (8) of *subdivision a* of section 1146-2.0 of this title, including fifty percent of any interest
12 or penalties thereon[.]; *and*

13 (5) *fifty percent of the total amount of taxes imposed at the rate of two percent pursuant to*
14 *the provisions of clause (ii) of paragraph (1) of subdivision b of section 1146-2.0 of this title,*
15 *including fifty percent of any interest or penalties thereon.* Moneys in such account shall be used
16 for payment by such commissioner to the state comptroller for deposit in the urban mass transit
17 operating assistance account of the mass transportation operating assistance fund of any amount
18 of insufficiency certified by the state comptroller pursuant to the provisions of subdivision six of
19 section eighty-eight-a of the state finance law, and, on the fifteenth day of each month, the
20 commissioner of finance shall transmit all funds in such account on the last day of the preceding
21 month, except the amount required for the payment of any amount of insufficiency certified by
22 the state comptroller and such amount as he deems necessary for refunds and such other amounts
23 necessary to finance the New York city transportation disabled committee and the New York
24 city paratransit system as established by section fifteen-b of the transportation law, provided,
25 however, that such amounts shall not exceed six percent of the total funds in the account but in
26 no event be less than one hundred seventy-five thousand dollars beginning April first, nineteen
27 hundred eighty-six, and further that beginning November fifteenth, nineteen hundred eighty-four
28 and during the entire period prior to operation of such system, the total of such amounts shall
29 not exceed three hundred seventy-five thousand dollars for the administrative expenses of such
30 committee and fifty thousand dollars for the expenses of the agency designated pursuant to
31 paragraph b of subdivision five of such section, and other amounts necessary to finance the

1 operating needs of the private bus companies franchised by the city of New York and eligible to
2 receive state operating assistance under section eighteen-b of the transportation law, provided,
3 however, that such amounts shall not exceed four percent of the total funds in the account, to the
4 New York transit authority for mass transit within the city.

5 § 5. Section 1146-5.0 of such title, chapter and code, as added by local law number
6 seventy-eight for the year nineteen hundred sixty-five, is amended to read as follows:

7 § 1146-5.0 Returns.—a. A joint return shall be filed by both the grantor and the grantee for
8 each deed whether or not a tax is due thereon. Such return shall be filed with the [director]
9 *commissioner* of finance at the time of payment of any tax imposed hereunder or, in the case of
10 a deed not subject to tax, *within thirty days after the delivery of the deed by the grantor to the*
11 *grantee but* before the recording of such deed. Filing shall be accomplished by delivering the
12 return to the register for transmittal to the [director] *commissioner* of finance. *In the case of a*
13 *transfer of an economic interest in real property, a joint return shall be filed by both the grantor*
14 *and the grantee for each instrument or transaction by which such transfer is effected, whether or*
15 *not a tax is due thereon. Such return shall be filed with the commissioner of finance, at such*
16 *place as he may designate, at the time of payment of any tax imposed hereunder, or, if the*
17 *transfer is not subject to tax, within thirty days after the transfer.* The [director] *commissioner* of
18 finance shall prescribe the form of the return and the information which it shall contain. The
19 return shall be signed under oath by both the grantor or his agent and the grantee or his agent.
20 Upon the filing of such return *for a deed*, evidence of the filing shall be affixed to the deed by
21 the register. The [director] *commissioner* of finance may provide for the use of stamps as
22 evidence of payment and that they shall be affixed to the deed before it is recorded. Where
23 either the grantor or grantee has failed to sign the return, it shall be accepted as a return, but the
24 party who has failed to sign the return or file a separate return shall be subject to the penalties
25 applicable to a person who has failed to file a return and the period of limitations for assessment
26 of tax or of additional tax shall not apply to such party.

27 b. Returns shall be preserved for three years and thereafter until the [director] *commis-*
28 *sioner* of finance permits them to be destroyed.

29 c. The [director] *commissioner* of finance may require amended returns to be filed within
30 twenty days after notice and to contain the information specified in the notice.

1 d. If a return required by this title is not filed or if a return when filed is incorrect or
2 insufficient on its face the (director) *commissioner* of finance shall take the necessary steps to
3 enforce the filing of such a return or of a corrected return.

4 e. Where a deed, *or instrument or transaction* has more than one grantor or more than one
5 grantee, the return may be signed by any one of the grantors and by any one of the grantees,
6 provided, however, that those not signing shall not be relieved of any liability for the tax
7 imposed by this title.

8 *f. The payment of, and the filing of returns relating to, the taxes imposed hereunder, shall*
9 *be required as a condition precedent to the recording or filing of a deed, lease, assignment or*
10 *surrender of lease or other instrument effecting a conveyance or transfer subject to such taxes.*

11 § 6. Subdivision b of section II46-6.0 of such title, chapter and code, as added by such
12 local law, is amended to read as follows:

13 b. The tax imposed by this title shall not apply to any of the following deeds, *instruments*
14 *or transactions*:

15 1. a deed, *instrument or transaction conveying or transferring real property or an eco-*
16 *nomical interest therein* by or to the United Nations or other world-wide international or-
17 ganizations of which the United States of America is a member;

18 2. a deed, *instrument or transaction conveying or transferring real property or an eco-*
19 *nomical interest therein* by or to any corporation, or association, or trust, or community chest,
20 fund or foundation, organized and operated exclusively for religious, charitable, or educational
21 purposes, or for the prevention of cruelty to children or animals, and no part of the net earnings
22 of which inures to the benefit of any private shareholder or individual and no substantial part of
23 the activities of which is carrying on propaganda, or otherwise attempting to influence legisla-
24 tion; provided, however, that nothing in this paragraph shall include an organization operated for
25 the primary purpose of carrying on a trade or business for profit, whether or not all of its profits
26 are payable to one or more organizations described in this paragraph;

27 3. a deed, *instrument or transaction conveying or transferring real property or an eco-*
28 *nomical interest therein* to any governmental body or person exempt from payment of the tax
29 pursuant to subdivision a of this section;

30 4. a deed delivered pursuant to a contract made prior to May first, nineteen hundred fifty-
31 nine;

1 5. a deed delivered by any governmental body or person exempt from payment of the tax
2 pursuant to subdivision a of this section as a result of a sale at a public auction held in
3 accordance with the provisions of a contract made prior to May first, nineteen hundred fifty-
4 nine:

5 6. a deed *or instrument* given solely as security for, *or a transaction the sole purpose of*
6 *which is to secure*, a debt *or obligation* [provided that the tax imposed by article eleven of the
7 tax law is paid for such deed,] or a deed *or instrument* given, *or a transaction entered into*,
8 solely for *the* purpose of returning such security.

9 7. a deed, *instrument or transaction conveying or transferring real property or an eco-*
10 *nomical interest therein* from a mere agent, dummy, straw man or conduit to his principal or a
11 deed, *instrument or transaction conveying or transferring real property or an economic interest*
12 *therein* from the principal to his agent, dummy, straw man or conduit.

13 § 7. Subdivision a of section 1146-15.0 of such title, chapter and code, as added by such
14 local law, is amended to read as follows:

15 a. Except in accordance with proper judicial order or as otherwise provided by law, it shall
16 be unlawful for the [director] *commissioner* of finance or register or any officer or employee of
17 the department of finance or register to divulge or make known in any manner any information
18 contained in or relating to any return provided for by this title. The officers charged with the
19 custody of such returns shall not be required to produce any of them or evidence of anything
20 contained in them in any action or proceeding in any court, except on behalf of the [director]
21 *commissioner* of finance in an action or proceeding under the provisions of this title, or on
22 behalf of any party to an action or proceeding under the provisions of this title when the returns
23 or facts shown thereby are directly involved in such action or proceeding, in either of which
24 events the court may require the production of, and may admit in evidence, so much of said
25 returns or of the facts shown thereby, as are pertinent to the action or proceeding and no more.
26 Nothing herein shall be construed to prohibit the delivery to a grantor or grantee [of a deed] or to
27 any subsequent owner of the real property *or economic interest therein* conveyed or *transferred*,
28 [by such deed] or to the duly authorized representative of any of them of a certified copy of any
29 return filed in connection with the tax [on such deed] *on such conveyance or transfer*; nor to
30 prohibit the delivery of such a certified copy of such return or of any information contained in or
31 relating thereto to the United States of America or any department thereof, the state of New

1 York or any department thereof, the city of New York or any department thereof provided the
2 same is required for official business; nor to prohibit the inspection for official business of such
3 returns by the register, the corporation counsel or other legal representatives of the city or by the
4 district attorney of any county within the city; nor to prohibit the publication of statistics so
5 classified as to prevent the identification of particular returns or items thereof.

6 § 8. Subdivision a of section II46-16.0 of such title, chapter and code, as added by such
7 local law, is amended to read as follows:

8 a. Any notice authorized or required under the provisions of this title may be given by
9 mailing the same to the person for whom it is intended in a postpaid envelope addressed to such
10 person at the address given in the last return filed by him pursuant to the provisions of this title,
11 in any application made by him, or in any deed *or instrument* which is the subject of the notice,
12 or, if no return has been filed or application made or address stated in the deed *or instrument*,
13 then to such address as may be obtainable. The mailing of such notice shall be presumptive
14 evidence of the receipt of the same by the person to whom addressed. Any period of time which
15 is determined according to the provisions of this title by the giving of notice shall commence to
16 run from the date of mailing of such notice.

17 § 9. If any item, clause, sentence, subparagraph, paragraph, subdivision, section or other
18 part of this local law, or the application thereof to any person or circumstances shall be held to
19 be invalid, such holding shall not affect, impair or invalidate the remainder of this local law, or
20 the sections of the administrative code of the city of New York amended by this local law, or the
21 application of such section or part of a section held invalid to any other person or circumstances,
22 but shall be confined in its operation to the item, clause, sentence, subparagraph, paragraph,
23 subdivision, section or other part of this local law directly involved in such holding, or to the
24 person and circumstances therein involved.

25 § 10. This local law shall take effect immediately, and the amendments made hereby shall
26 apply to conveyances or transfers made on or after the fifth day succeeding such effective date,
27 provided, however, that such amendments shall not apply to any such conveyance or transfer
28 made pursuant to a written contract entered into prior to July thirty-first, nineteen hundred
29 eighty-one.