

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* on the value of property subject to the property transfer tax. 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 must file and pay using Form PTT-172, the Property Transfer Tax Return online at myVTax.vermont.gov. There is no paper option. The property transfer tax must be filled out electronically using myVTax.

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 buys a principal residence funded in part by the Vermont Housing and Conservation Trust Fund, or the Vermont Housing and Finance Agency, or U.S. Department of Agriculture and Rural Development:

- 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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