

Prepayment Receipt Instructions

This form is only to be completed by nonresident individuals, estates or trusts selling or transferring property in New Jersey.

- Name(s): Name of seller(s). If more than one owner separate forms must be used except for Husband & Wife that file jointly
- Address: Seller(s) primary residence or place of business. Do not use the address of the property being sold.
- Property Information: Information as listed on deed of property being sold.
- Percentage of Ownership: If there is more than one owner list seller's % of ownership.
- Consideration: "Consideration" means in the case of any deed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is assumed and agreed to be paid by the grantee and any other lien or encumbrance not paid, satisfied or removed in connection with the transfer of title. If there is more than one owner, indicate seller's portion of total consideration received. If the total consideration for the property is \$1,000 or less complete the Seller's Residency Certificatin/Exemption form GIT/REP-3 and check box 6 under Seller's Assurances. Sellers involved in an IRC . 1031 tax free exchange or some other qualified tax free exchange must use the ucurrent fair market value of hte property received as the consideration.
- Signature: Seller(s) must sign and date the declaration. If the seller's representative is signing the declaration a copy of the power of attorney form or letter signed by the seller granting this authority must be attached.

Payment in the form of check or money order should be made payable to the State of New Jersey - Division of Taxation. Cash is not acceptable. Tax payment is determined by multiplying the gain on the sale of the property by the highest Gross Income Tax rate of 8.97%. Gain is to be determined without taking into consideration any distributions during the taxable year to beneficiaries by estates or trusts. In no case can the payment be less than 2% of the consideration received.

All information requested on this form must be completed. Failure to complete the form in its entirety will result in the deed not being recorded.

This form, associated payment and form NJ-1040-ES must be completed prior to time of closing and submitted to the Division of Taxation in person at one of the Division's offices. A receipted original will be given to seller at that time.

The seller must give the receipted original to the buyer or the buyer's attorney at closing. The seller should keep a copy for his or her own records.

The buyer or buyer's attorney must submit the original Prepayment Receipt to the county clerk at the time of recording the deed. Failure to submit this form or a Nonresident Seller's Tax Declaration (GIT/REP-1) or a Seller's Residency Certification (GIT/REP-3) will result in the deed not being recorded.