

GEORGIA WITHHOLDING TAX AFFIDAVIT

The State of Georgia imposes a 3% tax on non-resident sellers when their net capital gain is \$20,000 or more. There are several exceptions to the withholding. One for example, the tax is not imposed when the property is the seller's primary residence within the meaning of Section 1034 of the Internal Revenue code.

THE AFFIDAVIT MUST BE COMPLETED IN ORDER TO DETERMINE IF YOU ARE SUBJECT TO GA WITHHOLDING TAX.

Please mark the applicable statement from choices 1-3.

Section 1 addresses BOTH State of Residence (first line) and Exemption from Reporting. **If you are unable to initial the first line in Section 1, you would be considered a non-Georgia Resident. A 3% tax will be withheld if you do not qualify for the exemptions under Sections 3 or 4.**

Please note, all statements in paragraph #2 must be true and initialed in order for that exemption to apply.

If you are NOT subject to withholding, please disregard Item #4.

If you are NOT exempt from the withholding based on the exemptions set forth in 1-3, then item #4 MUST be completed.

We are not able to disburse proceeds without this form being properly filled out and executed.

If you have any particular questions regarding capital gain or tax ramifications, we advise you to seek the advice of your attorney or tax professional. Do not hesitate to contact us if you have any general questions about the withholding or the forms. However, please keep in mind we cannot calculate your net capital gain for you or provide tax advice.

For more information about Georgia's non-resident withholding, please visit the Georgia Department of Revenue at <https://dor.georgia.gov/document/form/sales-or-transfers-real-property/download>

Before me, the undersigned officer duly authorized to administer oath, came the undersigned, (the "Deponent"), who, being duly sworn according to law, deposes and says on oath that the undersigned is/are the owner(s) (the "Owner") of the property located in County, Georgia (the "Property"), and as more fully described in a certain deed (the "Deed") executed by Owner this date to the Grantee named below. This affidavit is being given in conjunction with the sale or transfer of the Property from Owner to to . Deponent is aware that if Seller is not exempt, **Buyer is required under O.C.G.A. § 48-7-128, to withhold up to 3% of the sales price or gain. Seller is aware that Seller is exempt only if Seller meets the criteria outlined below.**

Deponent states that the conditions initialed by Deponent below apply to Seller:

(INITIAL WHERE APPLICABLE)

1. Residence & Principal Residence Exception:

____ Seller is exempt from withholding on the sale of the Property because Seller is a resident of Georgia or an entity whose principal place of business is in Georgia.

____ The Property being sold or transferred is the principal residence of Seller within the meaning of Section 1034 of the Internal Revenue Code;

2. Seller is not a resident of Georgia, but is deemed a resident for purposes of withholding by virtue of ALL of the following applying to Seller:

____ Seller is a non-resident who has filed Georgia income tax returns or appropriate extensions have been received for the two income tax years immediately preceding the year of sale; AND

____ Seller is an established business in Georgia and will continue substantially the same business in Georgia after the sale or Seller has real property remaining in the state at the time of closing of equal or greater value than the withholding tax liability as measured by the 100 percent property tax assessment of such remaining property; AND

____ Seller will report the sale on a Georgia income tax return for the current year and file it by its due date; AND

____ If Seller is a Corporation or Limited Partnership, Seller is registered to do business in Georgia.

3. Seller is not a resident of Georgia, but is exempt from the withholding provisions of O.C.G.A. § 48-7-128 by virtue of any of the following:

_____ Seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration;

_____ Seller is an agency or authority of the United States of America, an agency or authority of the State of Georgia, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, or a private mortgage insurance company; or

_____ The purchase price of the property is less than \$20,000.00.

_____ The Seller is a partnership, Subchapter "S" corporation or limited liability company subject to withholding under O.C.G.A. § 48-7-129, and a composite return has been filed or will be filed on the sellers' behalf.

_____ The Seller is a tax exempt organization and the income from this sale is not subject to federal or state income tax.

_____ The Seller is an insurance company which pays to Georgia a tax on its premium income.

_____ The transaction is a like-kind exchange and the income from this sale is not subject to federal or state income tax.

_____ The withholding liability is less than \$600.00.

4. Seller is not exempt from withholding and makes this Affidavit of Seller's Gain (If not exempt):

Sales Price \$ _____

Less Cost Basis \$ _____

Less Selling Expenses \$ _____

Net Taxable Gain \$ _____

Amount Withheld \$ _____

(Enter 3% of the Net Taxable Gain Recognized if the withholding is greater than \$600.00) Use form GLG G-2RP

5. Corporate or Partnership Sellers:

If Seller is a trust, corporation, limited liability company, limited partnership, partnership or any other type of entity, then Deponent makes this affidavit in his or her representative capacity on behalf of said entity as well as in Deponent's individual capacity and makes this affidavit for, on behalf of and pursuant to proper authority granted by said entity. Deponent makes this Affidavit knowing the same will be relied upon by certain purchasers, lenders, attorneys and title companies interested in title to the Property.

Under penalty of perjury, I swear that the above information is, to the best of my knowledge and belief, true, correct, and complete.

Signed, sealed and delivered
this _____, 20____
in the presence of

Notary Public

(Notary Seal)