

Ralph T. Meacham, CPA
Mahoning County Auditor

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For More Information, please call Ralph T. Meacham, CPA (330) 740-2010

New Requirements for LLC Property Transfers

Auditor Requires Documentation

Mahoning County Auditor Ralph Meacham is announcing that he has instituted new requirements for property transfers seeking exemption from conveyance fees.

In Ohio, there is a state-wide mandatory conveyance fee of 1 mill (\$1 per \$1,000 of the sale price) and Mahoning County is permitted to charge an additional 3 mills (\$3 per \$1,000 of the sale price) plus a 50¢ per parcel transfer fee.

The State of Ohio allows certain types of transfers such as parent to child, one spouse to another or to the trustee of a trust, among others, to qualify for exemption from these conveyance fees.

In an effort to ensure that the use of the exemption from conveyance fees is appropriate, Auditor Meacham is now requiring the following documentation at the time of transfer to or from a Limited Liability Company (LLC):

- 1) A notarized Affidavit of Facts stating the reason for the transfer and why there was no money involved
- 2) State Certificate of the Articles of Organization.
- 3) Identification of the members with respective percentage of units of interest.
- 4) A written statement from the seller/grantor declaring the following:
 - a) Total amount paid to the seller/grantor as consideration for the sale of the LLC membership/ownership interests;
 - b) The portion of the total that is allocated to real property owned directly or indirectly by the LLC;
 - c) The percentage of the ownership interest in the LLC being transferred;
 - d) The LLC's percentage of ownership interest in the person that directly owns the real estate;
 - e) A copy of any purchase agreement and closing/settlement statement.

“As administrator of these fees imposed by both Mahoning County and the State of Ohio, it is my duty to ensure that the law is being enforced fairly and impartially, and that everyone is paying what they should,” Auditor Meacham stated.

There may be resistance to this new requirement as taxpayers adjust to making it a standard part of their transfer documents, but according to Meacham, an LLC should have these documents readily available, and if not, they can easily be obtained through the Ohio Secretary of State website.

Auditor Meacham encourages anyone with questions to call his office at 330-740-2010.

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