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DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-195593 DATE: January 22, 1980

MATTER OF: Stephen R. Hopkins - *[Request for Reimbursement of]* Real estate expenses *[involving* Transfer tax]

DIGEST: Employee paid full amount of transfer tax on purchase of real estate. Evidence was submitted by employee indicating that it is customary for purchaser to pay all of the transfer tax in the local community where the property was purchased although in other areas of the county only 50 percent of the transfer tax is paid by the purchaser. Employee may be reimbursed for all of the transfer tax paid by him in connection with purchase of residence incident to his transfer.

The issue presented in this case is whether an employee may be reimbursed all of the transfer tax paid by him in connection with the purchase of a residence incident to his transfer where it is shown that as a usual practice in the county generally the transfer tax is split equally between the purchaser and seller but that in the particular community where the employee's property is located all of the transfer tax is paid by the purchaser. The employee may be reimbursed all of the transfer tax.

The matter is presented here by a letter from John H. Bransby, Finance and Accounting Officer, Department of the Army, Baltimore District, Corps of Engineers.

DLG01028

Stephen R. Hopkins, an employee of the U.S. Army Corps Engineers, was transferred from Waterloo, New York, to Tioga, Pennsylvania. Upon transfer he purchased a home in the Lawrenceville Subdivision of the community of Lawrenceville, Tioga County, Pennsylvania. At the time of closing, he paid a transfer tax amounting to 2 percent of the purchase price. It is the usual practice in Tioga County for the transfer tax to be split equally between the purchaser and seller. Therefore, upon application for reimbursement of the real estate

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expenses, 50 percent of the transfer tax in the amount of \$430 was disallowed.

Mr. Hopkins submitted additional evidence in the form of a letter from the law firm which handled the real estate transaction as settlement agent. The attorney's letter explains that although the usual practice in Tioga County is for the transfer tax to be split between the purchaser and the seller, an exception to this practice exists in the Lawrenceville Community, particularly in the Lawrenceville Subdivision. The normal practice in Lawrenceville is for the purchaser to pay the entire 2 percent realty transfer tax because most of the property in the community had originally been owned by the Redevelopment Authority of Tioga County. When the Redevelopment Authority sells property, the purchaser pays the entire 2 percent realty transfer tax. This practice was confirmed by the Executive Director of the Tioga County Redevelopment Authority in a telephone call to the Authority from this Office. D LG 03663

Payment of travel and relocation expenses of civilian Government employees is governed by the Federal Travel Regulations (FTR) (FPMR 101-7, May 1973). Paragraph 2-6.2d thereof provides in pertinent part:

"d. Miscellaneous expenses. The following expenses are reimbursable with respect to the sale and purchase of residences if they are customarily paid by the seller of a residence at the old official station or if they are customarily paid by the purchaser of a residence at the new official station, to the extent they do not exceed amounts customarily paid in the locality of the residence: * * * mortgage and transfer taxes * * *."

We have consistently held that where the tax is determined to be a transfer or sales tax and is customarily paid by the purchaser the employee may be reimbursed where such taxes are paid by him in connection with the purchase of a residence incident to his

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transfer. B-185487, August 3, 1976; B-183162, January 27, 1976; B-182082, January 25, 1975; and B-178873, April 22, 1974.

Accordingly the reclaim voucher may be certified for payment.

A handwritten signature in cursive script, reading "Milton J. Fowler".

For the Comptroller General
of the United States