New York State Association of REALTORS®, Inc.

New York State Association of REALTORS®, Inc.
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MEMORANDUM IN OPPOSITION

Date: May 2026
Contact: Michael Kelly

Re: Opposition to new or additional taxes on real estate purchases financed with cash

The New York State Association of REALTORS®, Inc. **strongly opposes any legislation** that would impose an additional real estate transfer tax on the sale of homes purchased with cash. Multiple media reports have indicated that some version of a tax is being secretly negotiated without any public input as part of the state budget process. A report from POLITCO indicates that this tax is being considered on any purchase of more than $1 million dollars, with the proposed tax being 1 percent of the sales price, or $10,000 on a million-dollar home.

Cash purchases are frequently used by seniors looking to downsize, first time homebuyers receiving assistance from their relatives, individuals who sold their home and are using the proceeds to purchase another home, and others looking to avoid the significant long-term costs associated with mortgage financing, or immediate costs (i.e. - mortgage recording taxes) associated with financing a home purchase. New York State's proliferation of real estate related taxes make cash purchases more attractive for many buyers who are not ultra-wealthy but have worked hard to accumulate the savings to afford a cash purchase.

As of April 2026, realtor.com reported that the median sales prices for a home in Manhattan is approximately $1.2 million[1]. Thus, this tax would impose an additional $12,000 in upfront costs on the sale of a median priced home in Manhattan. Additionally, median home prices in the downstate marketplace are rapidly approaching the $1 million mark for other communities. In the first quarter of 2026, the Hudson Gateway Association of REALTORS® reported that the median sales prices for a single-family home in Westchester County was $935,000[2]. Imposing a transfer tax on cash purchases would deter buyers from purchasing homes in these and other communities around the state, particularly when they can purchase a similar home in a neighboring state without paying a tax on their cash purchase. It is apparent this is a tax that would negatively impact the ability of middle-class New Yorkers to purchase a home in our state.

New York State already imposes a transfer tax of 1 percent on properties valued at $1 million or more (a dollar threshold which has not been updated since 1989), so a proposal such as the one described in the POLITCO report would amount to a double tax on cash buyers. And while the federal government raised the state and local tax (SALT) deduction cap to $40,000, the deductibility of such a tax at the federal level would be uncertain for many buyers, given the sheer amount of taxes home buyers and owners pay in our state.

[1] https://www.realtor.com/local/market/new-york/queens-county/new-york
[2] https://irp.cdn-website.com/a5e60d20/files/uploaded/2026_Q1_Westchester_County.pdf

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At a time when New York State is trying to make homeownership more affordable, this tax will have the opposite effect. Homebuyers in our state already pay some of the highest real estate taxes and closing costs in the country, including existing real estate transfer taxes, mortgage recording taxes and property taxes. These taxes make New York State less competitive economically with other states by raising the cost of purchasing property. State and local governments should consider legislation that reduce or eliminate real estate taxes, promote homeownership, and support economic development, rather than further exacerbating the problem by imposing more taxes.

For these reasons, the New York State Association of REALTORS®, Inc. **strongly opposes** any proposal to impose a tax on real estate purchases financed with cash.

The New York State Association of REALTORS® is a not-for-profit trade organization representing more than 58,000 of New York State's real estate professionals. The term REALTOR® is a registered trademark, which identifies real estate professionals who subscribe to a strict code of ethics as members of the National Association of REALTORS®. These REALTORS® are also members of the New York State Association of REALTORS® as well as their local board or association of REALTORS®.

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