



RALPH T. MEACHAM CPA

MAHONING COUNTY AUDITOR

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For Immediate Release • November 22, 2021

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

Requirements for LLC Exempt Property Transfers

Auditor Continues Enforcement of Proper Documentation

Mahoning County Auditor Ralph Meacham is continuing his effort to obtain the proper documentation to support property transfers that did not pay conveyance fees based on the grantor or grantee utilizing one of the permitted reasons for exemption from these 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.

Furthering this effort to ensure that the law is being followed and that everyone is paying what they should, Auditor Meacham is reviewing past exempt transfers to and from LLC's and requesting the same documentation.

“Exempt transactions represented 44% of all conveyed properties in 2020 and 2021, and more in prior years. There are specific requirements for a property to qualify for an exemption. A review by my office has found parties claiming exemptions did not qualify for the exemption. We now require documentation at the time of transfer supporting the exemption. We are in the

process of going back to prior transitions to verify the validity of the exemption. When an improper exemption was claimed, we will take action for recovery. Anyone doing business with this office must know that all laws will be enforced and followed fairly and impartially,” Auditor Meacham stated.

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

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