



**Comprehensive Rider to the FAR/BAR Contract for Sale and Purchase**

FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR

If initialed by all parties, the clause below will be incorporated into the FAR/BAR Contract for Sale and Purchase between \_\_\_\_\_ (Seller) and \_\_\_\_\_ (Buyer) concerning the Property described as \_\_\_\_\_:

**FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA")**

Buyer's Initials - Seller's Initials: If to be made a part of the Contract.

( ) ( ) - - ( ) ( )

If a Seller is a "foreign person" as defined by FIRPTA, Section 1445 of the Internal Revenue Code requires a buyer of real property to withhold 10% of the amount realized by the Seller on the transfer and remit the withheld amount to the Internal Revenue Service (IRS) unless an exemption applies. The primary exemptions are (1) Seller provides Buyer with an affidavit that Seller is not a "foreign person", (2) Seller provides Buyer with a Withholding Certificate providing for reduced or eliminated withholding, or (3) the gross sales price is \$300,000 or less, Buyer is an individual who purchases the Property to use as a residence, and Buyer or a member of Buyer's family has definite plans to reside at the Property for at least 50% of the number of days the Property is in use during each of the first two 12 month periods after transfer. Buyer and Seller agree to execute and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply with the requirements of FIRPTA, including delivery of their respective federal taxpayer identification numbers ("TIN") or Social Security Numbers to the Closing Agent. If Seller applies for a withholding certificate but the application is still pending as of the Closing, Buyer agrees to place the 10% tax in escrow at Seller's expense to be disbursed in accordance with the final determination of the IRS, provided Seller so requests and gives Buyer notice of the pending application in accordance with Section 1445 and implementing regulations. In the event Buyer does not pay sufficient cash at Closing to meet the withholding requirement, Seller shall deliver to Buyer at Closing the additional cash necessary to satisfy the requirement. Buyer shall timely disburse the funds to the IRS, and provide Seller with copies of the tax forms and receipts.