QUICK REFERENCE GUIDE:

IS MY SELLER SUBJECT TO FIRPTA?

TOTAL FIRPTA LLC

Individuals

Is the individual a US citizen?
- If yes, STOP, Seller is a US person.
- If no, go to next question.

Does the individual have a valid green card?
- If yes, STOP, Seller is a US person.
- If no, go to next question.

Is the individual a resident via the substantial presence test?
- If yes, STOP, Seller is a US person.
- If no, Seller is foreign and FIRPTA applies

Limited Liability Company

Was the LLC formed in the US?
- If no, Seller is foreign and FIRPTA applies*
- If yes, go to next question.

Did the LLC make an election to be taxed as a corporation?
- If yes, STOP, Seller is a US person.
- If no, go to next question.

Does the LLC have 2 or more true members?
- If yes, STOP, Seller is a US person.
- If no, Seller is a disregarded entity. Restart analysis based on the owner type. For example, if the sole owner is a corporation, use the corporation box to determine status.

*If a single-member LLC (formed outside of the US) is owned by a US person, then FIRPTA does not apply.

Corporations

Was the corporation created or organized in the US?
- If yes, STOP, Seller is a US person.
- If no, go to next question.

Did this foreign corporation make an election to be treated as a domestic corporation under Section 897(i) and provide confirmation letter from IRS?
- If yes, STOP, Seller is a US person.
- If no, Seller is foreign and FIRPTA applies

Partnerships (General, LP, LLP)

Was the partnership created or organized in the US?
- If yes, STOP, Seller is a US person.
- If no, Seller is foreign and FIRPTA applies

Trusts

Does a US court exercise primary supervision over the administration of the trust?
- If no, Seller is foreign and FIRPTA applies.
- If yes, go to next question.

Is the person that controls all the substantial decisions of the trust a US person?
- If yes, STOP, Seller is a US person.
- If no, Seller is foreign and FIRPTA applies

This guide is for informational purposes only, regarding the sale of real estate, and should not be considered legal or tax advice.

Over 10 years of dedicated FIRPTA experience!

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