

SELLER'S ADVISORY ON FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)

(SDAR Form SA-FIRPTA, Revised 8/12)

(For use with C.A.R. Form AS, Revised 4/12)

Property Address: _____ (**"Property"**)

This form is created by the San Diego Association of REALTORS® and is not covered by the California Association of REALTORS® User Protection Agreement. This form is intended for use in San Diego County.

Under Foreign Investment in Real Property Tax Act (FIRPTA), Buyer is required to withhold ten percent (10%) of the gross sales price, otherwise payable to you as Seller, and pay that to the Internal Revenue Service (IRS) unless you are an exempt Seller. To demonstrate to Buyer and the IRS that you are a FIRPTA exempt Seller, you must provide Buyer or Qualified Substitute, defined below, with a Seller's Affidavit of Nonforeign Status and/or California Withholding Exemption (C.A.R. Form AS, Revised 4/12) ("Seller's Affidavit") stating:

1. Seller is not a nonresident alien;
2. Seller's home address;
3. Seller's Social Security Number, Federal Employer Identification Number or California Corporation Number.

A "Qualified Substitute" is a person or entity responsible for closing the transaction, such as an escrow company, title company or Buyer's broker, but not Seller's broker. The Qualified Substitute will provide a statement to Buyer that it has in its possession the Seller's Affidavit.

If you refuse to provide a Seller's Affidavit, be advised that this violates FIRPTA, breaches the Residential Purchase Agreement between the Parties, and allows the following to occur:

- A. Buyer can instruct the escrow company to withhold 10% of the gross sales price and pay this to the IRS for your tax account; or
- B. Buyer can instruct the escrow company to delay the close of escrow until you provide the Buyer, or the escrow company with a complete Seller's Affidavit; and/or
- C. Buyer can initiate legal action against you to enforce the contract concerning your failure to comply with FIRPTA along with other legal remedies Buyer may have.

Further information on complying with FIRPTA and California Revenue and Tax Code § 18662 can be obtained from the escrow company. Seller should review tax matters with a professional tax advisor.

Seller is encouraged to read this Advisory carefully. By signing below, Seller acknowledges that Seller has read, understands, and received a copy of this Advisory.

Seller _____ (Date) _____

Seller _____ (Date) _____

**THIS DOCUMENT IS FOR USE IN SIMPLE TRANSACTIONS AND NO REPRESENTATION OR WARRANTY
IS MADE TO THE VALIDITY OR ADEQUACY OF ANY OF ITS PROVISIONS IN ANY TRANSACTION.**

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Reviewed by Broker or Designee: _____
Date: _____