



REAL ESTATE TAX RETURN
DECLARATION OF ESTIMATED
INCOME TAX

Delaware Division of Revenue
820 N. French Street, P.O. Box 8763
Wilmington, DE 19899-8763

FORM 5403

DO NOT WRITE OR STAPLE IN THIS AREA

Form 5403 must be completed for all conveyances, and must be presented at the time of recording.

1. Description and address of property transferred (include property tax parcel number):

[Empty box for property description and address]

Tax Parcel Number: [] County: New Castle Kent Sussex Date of Transfer: [] [] []

2. Transferor/Seller is:

- Individual or Revocable Living Trust
- Corporation
- Trust or Estate
- Business Trust
- Partnership
- S Corporation
- Limited Liability Company
- Other: _____

3. Transferor or Seller acquired property by:

- Purchase
- Gift
- Inheritance
- 1031 Exchange
- Foreclosure/Repossession
- Other: _____

4. Transferor/Seller's name; SSN or EIN; and address to which correspondence is to be mailed after settlement. (Enter only one name and SSN or EIN per return. If more than one transferor/ seller, use separate forms for each; however, if Transferors/Sellers are spouses, enter only the primary taxpayer name and SSN, and only file one return. If transferor/seller is not an individual, list only EIN of non-individual transferor/seller and file only one Form 5403 for such transferor/seller – no Form 5403 should be filed for the members, partners, stockholders, trustees or other individuals or entities having an ownership interest in any such non-individual transferor/seller.)

Enter Social Security Number or Employer Identification Number of the Transferor/Seller

[] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] []

Name of Transferor/Seller _____

Address _____

City _____ State _____ ZIP Code _____

5. If applicable, check appropriate box. (Check no more than one box.)

- Transferor/seller is a resident (a) individual, (b) pass-through entity or (c) corporation, and not subject to withholding under 30 Del. C §§1126, 1606 or 1909;
- Sale or exchange exempt from capital gain recognition;
- Gain realized excluded from income for tax year of sale or exchange.
- Sale Exempt due to Foreclosure. (See Instructions)



DF24018019999

If any box in Section 5 is checked, DO NOT complete Sections 6, 7 and 8 below. No payment is due at this time.

6. Computation of payment and tax to be withheld. (See instructions.)

a. Total sales price	a. \$	[]
b. Less selling expenses/reductions to sale price	b. \$	[]
c. Net sales price (subtract Line b from Line a)	c. \$	[]
d. Adjusted basis of property or liens paid at settlement	d. \$	[]
e. Total gain (subtract Line d from Line c)	e. \$	[]
f. Delaware tax due - if C Corporation, multiply line "e" by 8.7%. All other taxpayers multiply line "e" by 6.6%.	f. \$	[]

NOTE: If section 6 is not filled out or incomplete, the required 6.6% or 8.7% will be withheld from the net proceeds at settlement and submitted to the Division of Revenue as required by law.

7. Check this box if the transferor/seller is reporting gain under the installment method. No tax is payable at this time. Note: If completing this section, when you recognize any capital gain arising from the sale of property in the State of Delaware, you must report and remit the tax due to the State of Delaware on that transaction.

8. Delaware Estimated Income Tax paid (see instructions) \$ []

Under penalty of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct and complete. If prepared by a person other than the transferor/seller, the declaration is based on all information of which the preparer has any knowledge. Transferor/Seller, Please sign and print full name and title (if any):

Signature _____ Name _____ Title _____

INSTRUCTIONS FORM 5403 DECLARATION OF ESTIMATED INCOME TAX

Every non-resident individual, pass through entity or corporation who makes, executes, delivers, accepts, or presents for recording any document, except those exemptions defined or described in Sections 1126, 1606 and 1909 of Title 30, or in whose behalf any document is made, executed, delivered, accepted or presented for recording, shall be subject to pay for and in respect to the transaction or any part thereof, an estimated tax payment at a rate of 8.7% for C Corporations and 6.6% for all other entities of the value of the gain on the property sold as represented by such document, which tax shall be payable at the time of making, execution, delivery, acceptance or presenting of such document for recording. Said tax is to be paid by the Transferor(s)/Seller(s).

SPECIFIC INSTRUCTIONS

- Line 1.** Enter a description and address of the property transferred/ sold, including the tax parcel number and date of transfer. If you need to describe transfer issues please do so here.
- Line 2.** Check the appropriate box to indicate whether the Transferor/Seller is an Individual or Revocable Living Trust, a Corporation, Trust or Estate, Business Trust, Partnership, S Corporation, Limited Liability Company, or Other, such as a Government Agency or Non-Profit Corporation.
- Line 3.** Check the appropriate box to indicate how the transferor/ seller acquired the property.
- Line 4.** Enter the Transferor/Seller's name; SSN or EIN; and address to which correspondence is to be mailed after settlement. (Enter only one name and SSN or EIN per return. If more than one transferor/ seller, use separate forms for each; however, if Transferors/Sellers are husband and wife, enter only the primary taxpayer name and SSN, and only file one return. If transferor/seller is not an individual, list only EIN of non-individual transferor/seller and file only one Form 5403 for such transferor/seller – no Form 5403 should be filed for the members, partners, stockholders, trustees or other individuals or entities having an ownership interest in any such non-individual transferor/seller.)
- Line 5.** Check the appropriate box to indicate if the transferor(s)/ seller(s) are resident individuals, pass-through entities or corporations that are not subject to net gain withholding; the sale or exchange is exempt from capital gain recognition because of either Federal or Delaware exemption; the gain realized will be excluded from income for tax year of sale; or the sale is exempt due to foreclosure pursuant to 30 Del. C. § 1126(b)(3a)(3). If any of the above boxes in Section 5 are checked, stop here, do not complete Sections 6, 7 and 8 below, and no payment is due at this time. Be sure to only check one box.
- Line 6.** On line "a" enter the 'Total Sales Price'.
On line "b" enter the Selling Expenses/Reductions to Sale Price.
On line "c" enter the 'Net Sales Price' by subtracting line "b" from line "a".
On line "d" enter the 'Adjusted Basis'. Adjusted basis includes the original purchase price of the property, non-deductible closing costs, and the cost of improvements, reduced by any depreciation previously taken for tax purposes.
On line "e" enter the 'Total Gain' by subtracting line "d" from line "c". This is the transferor's/seller's gain for purposes of computing your estimated payment for Delaware income tax purposes.
On line "f" enter the 'Delaware Tax Due' by multiplying line "e" if a C Corporation by 8.7%, and all other entities by 6.6%. This is the amount of estimated tax payment due to the Delaware Division of Revenue that you must remit with this form unless line 7 is completed.
- Line 7.** If the transferor(s)/seller(s) is/ are reporting gain under the installment method no payment is due at this time, but by law you must report and remit any capital gain tax to the State of Delaware when any capital gain as a result of the sale of property in Delaware is recognized for Federal Tax Purposes.
- Line 8.** Enter the amount of Delaware Tax Due from Line 6(f), unless you completed Section 7. This is the amount payable to the Delaware Division of Revenue.

The Transferor/Seller must sign Form 5403, print their full name and title, if any. This form and the estimated income tax, if any, reported due and payable on this form must be remitted with the deed to the Recorder's Office before the Recorder shall record a deed conveying title in Delaware real estate. The tax returns or reports and the amounts of tax collected pursuant to Title 30 of the Delaware Code, Sections 1126, 1606 or 1909, and the Recorder's Office and its employees or agents, shall be subject to the secrecy provisions and penalties of Title 30 of the Delaware Code, Section 368."

If you need assistance with filling out this form please contact the Division of Revenue at (302) 577-8200