



INSTRUCTIONS
TOWN OF AVON
APPLICATION FOR EXEMPTION
FROM REAL PROPERTY TRANSFER TAX
(\$240,000 PRIMARY RESIDENCE EXEMPTION)

Please follow these instructions when preparing and submitting an Application for Exemption from Real Property Transfer Tax for the \$240,000 Primary Residence Exemption. The Town of Avon has adopted a 2% Real Estate Transfer Tax, which is set forth in Chapter 3.12 of the Avon Municipal Code. Section 3.12.060 establishes 17 different exemptions from the applicability of the Real Estate Transfer Tax which may relieve a portion or all of the Real Estate Transfer Tax due. These instructions relate to the \$240,000 Primary Residence Exemption established by Section 3.12.060(19). This exemption only applies where the total consideration paid for the residence does not exceed \$700,000. Please consult other instructions if this exemption does not apply to you.

IT IS IMPORTANT THAT YOU REVIEW CHAPTER 3.12 OF THE AVON MUNICIPAL CODE AND THESE INSTRUCTIONS THOROUGHLY AND SUBMIT ANY APPLICATION AND REQUIRED INFORMATION ON A TIMELY BASIS IN ORDER FOR YOUR APPLICATION TO BE ELIGIBLE FOR CONSIDERATION.

For all exemptions, complete the general information at the top of the Application. Required documents in addition to the application are described below:

\$240,000 Primary Residence Exemption

Section 3.20.060(19) - \$240,000 Primary Residence Exemption – Applicants must execute affidavit and promissory note in addition to the application. ***There is a \$30 application fee payable by cash or check for all Primary Residence Exemptions.**

The conditions of the Primary Exemption include:

- The applicant must meet the definition of a “Primary Residence” as provided in section 3.12.020 of the Town of Avon Municipal Code. Applicants must provide three forms of evidence to meet the definition of “Primary Residence,” including voter registration in Avon, Colorado (or signing an affidavit stating that the applicant is not registered to vote in any other place); stated address on Colorado driver's license or Colorado identification card; stated address on motor vehicle registration; stated residence for income and tax purposes; utility bills and such other documentation deemed appropriate by the Town Manager to determine that the buyer is continuously occupying and using the residence as a primary residence.
- Occupation and use of a residence as a primary residence must occur within thirty (30) days of transfer of the real property, provided that the Town Manager may grant an extension of an additional ninety (90) days if extenuating circumstances are found to exist in the Town Manager’s discretion and provided that such extension request is included with the applicant’s application for exemption.
- Applicants must meet the definition of an “Eagle County Employee.”
 - Applicants must provide an employment verification letter from the current employer which states that the applicant meets the definition of an Eagle County employee by working an average of at least 30 hours per week per year or earns 75% of his/her income by working in Eagle County.
 - Retired individuals applying for this exemption must have worked a minimum of five years in Eagle County for an average of at least 30 hours per week per year evidenced by a verification letter from the past employer.
 - For applicants that derive income from self-employment whose business is situated in Eagle County, such person must provide evidence of self-employment and operation of business in Eagle County.
 - For applicants who work for an employer outside Eagle County, such person must demonstrate the residence for which they are seeking the exemption is their primary residence.
- The first \$240,000 of the purchase price is exempted from the 2% transfer tax, therefore the maximum exemption is \$4,800. If the tax paid by the buyer is less than \$4,800, that amount should go on the promissory note and affidavit.



- Applicants must provide a closing statement to verify 1) the purchase price of the residence does not exceed \$700,000 and 2) the portion of the transfer tax paid by the seller. Primary Residence Exemptions are not applicable to the seller's portion of transfer tax.
- A lien for the amount of exempted transfer tax is placed on the property for three (3) full years after the date of acquisition. **The Town will release the lien no sooner than one year after the acquisition date if the Borrower provides evidence that the property was used as a primary residence. If the applicant sells the property prior to the expiration of the three (3) year period, the lien will be released.**
- If the applicant does not meet these conditions or sells the property within the three years of required residency, the amount of exempted transfer tax will be immediately due and payable.
- The title company shall hold the amount of the transfer tax exemption in escrow until the Town provides written verification the applicant has met the requirements for the exemption.

Please e-mail your questions to Carly Elena Fackler at cfackler@avon.org.