

FIRPTA ADDENDUM

Buyer(s) _____
Seller(s) _____
Property Address _____

1 **1. Working With Escrow.** If this transaction may be subject to FIRPTA as described in the FIRPTA Section of the Sale
 2 Agreement, (i.e., Seller is a foreign person), Buyer and Seller must so inform Escrow to determine the extent to which Escrow can
 3 assist the parties in compliance with FIRPTA, including handling the Withholding Requirement, (as defined in Section 2, below). If
 4 Escrow is unable or unwilling to assist with the FIRPTA-related portion of the Closing, Buyer has the right, but not the obligation, to
 5 move Escrow to another Oregon licensed escrow agent that is willing to assist with the FIRPTA-related portion of the Closing, in
 6 which case the parties' shall share equally in the cost of any cancellation fees (if applicable). **If, due to moving Escrow, this**
 7 **transaction cannot be closed by the Closing Date, the parties agree that the Closing Date will be extended for a reasonable**
 8 **period of time not to exceed five (5) business days to accommodate moving the transaction to the new escrow agent.**

9 **2. Buyer Responsibilities Under FIRPTA.** If Seller is a foreign person as described in the FIRPTA Section of the Sale
 10 Agreement, and is not otherwise exempt under federal law, Buyer will become the "withholding agent" and, as such, be responsible
 11 for withholding Seller's tax and transmitting it to the IRS ("Withholding Requirement"). The failure to do so can result in Buyer being
 12 held liable to the IRS for the funds. **FOR THIS REASON, PRIOR TO CLOSING, BUYER MUST DETERMINE WHETHER SELLER**
 13 **IS A "FOREIGN PERSON" AND SUBJECT TO THE WITHHOLDING REQUIREMENT. Seller's and Buyer's agents are not**
 14 **FIRPTA experts, and cannot render legal or tax advice. The parties should secure advice from tax counsel, CPAs, or other**
 15 **experts before Closing.**

16 **3. If Seller Is A Foreign Person and Fully Exempt From FIRPTA Withholding Requirement.** Seller is a "foreign
 17 person" as defined by FIRPTA, but is **fully exempt** from the Withholding Requirement because: (a) The Purchase Price for the
 18 Property is not more than \$300,000; **and**, (b) The Property will be occupied as a residence by Buyer who is an individual or a
 19 member of Buyer's family for at least 50% of the number of days (excluding days the Property is vacant) during each of the first two
 20 12-month periods following the date of Closing. By signing below, Buyer warrants and represents to Seller that Buyer or a member
 21 of Buyer's family intends to occupy the Property in accordance with the terms of this exemption. **If Buyer does not sign below, the**
 22 **FIRPTA Withholding Requirement applies and the terms of Section 5 below apply.**

23 **4. If Seller Is A Foreign Person and Partially Exempt From The FIRPTA Withholding Requirement.** Seller is a
 24 "foreign person" as defined by FIRPTA but is **partially exempt** from the Withholding Requirement because: (a) The Purchase Price
 25 for the Property is over \$300,000 but less than \$1,000,000 **and** (b) The Property will be occupied as a residence by Buyer who is an
 26 individual or a member of Buyer's family for at least 50% of the number of days (excluding days the Property is vacant) during each
 27 of the first two 12-month periods following the date of Closing. Buy signing below, Buyer warrants and represents to Seller that
 28 Buyer or a member of Buyer's family intends to occupy the Property in accordance with the terms of this exemption, in which case
 29 the Withholding Requirement will be reduced to **10% of the Purchase Price** and withheld from Seller's proceeds at Closing and
 30 remitted to the IRS in accordance with FIRPTA. **If Buyer does not sign below, the FIRPTA Withholding Requirement applies**
 31 **and the terms of Section 5 below apply.**

32 **5. If Seller Is A Foreign Person and Not Exempt From The FIRPTA Withholding Requirement.** The Withholding
 33 Requirement applies and **15% of the Purchase Price** with be withheld from Seller's proceeds at Closing and remitted to the IRS in
 34 accordance with FIRPTA.

35 **6.** Buyer and Seller agree to cooperate with each other and Escrow by signing any and all documents required to comply
 36 with the FIRPTA and the Withholding Requirement (if applicable).

37 Buyer Signature _____	Date _____, _____ a.m. ____ p.m. ←
38 Buyer Signature _____	Date _____, _____ a.m. ____ p.m. ←
39 Seller Signature _____	Date _____, _____ a.m. ____ p.m. ←
40 Seller Signature _____	Date _____, _____ a.m. ____ p.m. ←

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FIRPTA QUALIFIED SUBSTITUTE STATEMENT

Buyer(s) _____
Seller(s) _____
Property Address _____

1 Section 1445 of the Internal Revenue Code provides that a transferee (i.e., buyer) of a U.S. real property
 2 interest must withhold tax if the transferor (i.e., seller) is foreign. Pursuant to Section 1445(b)(2) of the
 3 Internal Revenue Code, no withholding is required if the transferor furnishes to the transferee a
 4 Certification of Non-Foreign Status and the transferee has no reason to suspect the Certification of Non-
 5 Foreign Status if false.

6 To protect a transferor's Taxpayer Identification Number/Social Security Number from being disclosed to
 7 a transferee, Section 1445(b)(9) of the Internal Revenue Code provides an alternative procedure where
 8 the transferor provides a Certificate of Non-Foreign Status to a "Qualified Substitute" instead of the
 9 transferee and the "Qualified Substitute" provides a Qualified Substitute Statement to the transferee. A
 10 "Qualified Substitute" is defined as the person (including any attorney or title company) responsible for
 11 closing the transaction and the Buyer's Agent, but does not include the Seller's agent.

12 The undersigned hereby certifies to the transferee (i.e., Buyer) that:

- 13 1. I am the settlement/escrow agent or Buyer's Agent for the above referenced transaction;
- 14 2. I am either a "Qualified Substitute" or an employee of a "Qualified Substitute" as defined in
 15 Section 1445(f)(6) of the Internal Revenue Code; and
- 16 3. Pursuant to Section 1445(b)(9) of the Internal Revenue Code, each Seller listed above has
 17 provided me with a completed and signed Certification of Non-Foreign Status pursuant to
 18 Section 1445(b)(2) of the Internal Revenue Code.

19 Under penalties of perjury I declare that I have completed this certification and to the best of my
 20 knowledge and belief it is true, correct, and complete.

21 Signature: _____ Dated: _____

22 Print Name: _____

23 Title: _____

24 Company: _____

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LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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