

**APPLICATION FOR CERTIFICATE OF
FULL OR PARTIAL EXEMPTION**

| | | |
|--------------------------|----------------------------------|---|
| Transferor/Seller's Name | YOUR SOCIAL SECURITY NUMBER/FEIN | <div style="border: 1px dashed red; display: inline-block; width: 150px; height: 15px; margin-bottom: 5px;"></div> <div style="border: 1px dashed red; display: inline-block; width: 150px; height: 15px;"></div> |
|--------------------------|----------------------------------|---|

REASON FOR FULL OR PARTIAL EXEMPTION FROM WITHHOLDING (attach documentation and calculation)

| Reason for exemption (check box if applicable and provide amount of total payment subject to tax) | Amount of total payment subject to tax | Amount of total payment subject to tax |
|--|--|--|
| <input type="checkbox"/> 1 Transfer is to a corporation controlled by transferor..... | 1 | |
| <input type="checkbox"/> 2 Transfer is pursuant to a tax-free organization..... | 2 | |
| <input type="checkbox"/> 3 Transfer is pursuant to an installment sale and the transferor/seller will receive less than the full purchase price during the taxable year..... | 3 | |
| <input type="checkbox"/> 4 Transfer is by a tax-exempt entity and transfer involves limited or no unrelated business taxable income..... | 4 | |
| <input type="checkbox"/> 5 Transfer is by transferor to a partnership, such that no gain or loss is recognized on the transfer..... | 5 | |
| <input type="checkbox"/> 6 Transfer is treated as a transfer by a partnership..... | 6 | |
| <input type="checkbox"/> 7 Transfer is treated as a transfer by a real estate investment trust..... | 7 | |
| <input type="checkbox"/> 8 Transfer is a tax-free exchange..... | 8 | |
| <input type="checkbox"/> 9 Transfer is pursuant to a condemnation and conversion into similar property..... | 9 | |
| <input type="checkbox"/> 10 Transfer is between spouses or incident to divorce..... | 10 | |
| <input type="checkbox"/> 11 Transfer is treated as a transfer by an S corporation..... | 11 | |
| <input type="checkbox"/> 12 Transfer is by transferor to a disregarded entity that is solely owned by the transferor.. | 12 | |
| <input type="checkbox"/> 13 Transfer is otherwise fully or partially exempt from the recognition of gain in accordance with the attached explanation..... | 13 | |

PROVIDE BRIEF EXPLANATION OF YOUR REASON FOR REQUESTING EXEMPTION

CALCULATION OF TAX TO BE WITHHELD

| | | |
|--|---|--|
| 1 Enter amount subject to tax | 1 | |
| 2 Enter tax rate, whichever applies: <input type="checkbox"/> A) 2.5% of total payments, or <input type="checkbox"/> B) 6.5% of estimated capital gain..... | 2 | |
| 3 Amount of tax to be withheld at closing. Line 1 multiplied by Line 2. (This line must be completed)..... | 3 | |

Under penalties of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true and complete. If prepared by a person other than the taxpayer, the declaration is based on all information of which the preparer has any knowledge.

| | | | | |
|-------------------------------------|------|-------------------------------------|--------------|------|
| Signature and title (if applicable) | Date | Signature of spouse (if applicable) | Phone number | Date |
|-------------------------------------|------|-------------------------------------|--------------|------|

| | | |
|---|--|------------------------|
| Signature of preparer other than taxpayer | Address and telephone number of preparer | Preparer's SSN or PTIN |
|---|--|------------------------|



WV/NRAE INSTRUCTIONS FOR APPLICATION FOR CERTIFICATE FOR FULL OR PARTIAL EXEMPTION
ORIG 10-07

GENERAL INSTRUCTIONS

Purpose of form

Use this form to apply for a Certificate of Full or Partial Exemption from the withholding requirements on the proceeds of the sale of real and associated tangible personal property in WV by nonresident individuals and nonresident entities. A nonresident entity is defined to mean an entity that:

- (1) is not formed under the laws of WV; and
- (2) is not qualified by or registered with the WV State Tax Department to do business in WV.

Who may file an application

An individual, fiduciary, C corporation, S corporation, limited liability company, or partnership transferor/seller may file Form WV/NRAE. A separate Form WV/NRAE is required for each transferor/seller unless the transferor/seller are a husband and wife filing a joint WV Income Tax return.

IMPORTANT: The completed Form WV/NRAE must be received by the WV State Tax Department no later than 21 days before the closing date of the sale or transfer to ensure timely receipt of the Certificate of Full or Partial Exemption.

SPECIFIC INSTRUCTIONS

Enter tax year of the transferor/seller if other than a calendar year.

Transferor/Seller's information

Enter name, address and identification number (social security or federal employer identification number) of the transferor/seller applying for the exemption. If the transferor/seller was issued an individual taxpayer identification number (ITIN) by the IRS, enter the ITIN.

Check the box indicating the transferor/seller's entity type.

Enter transferor/seller's ownership percentage of the property.

Property information

Enter description of the property, including street address(es) as listed with the WV State Tax Department. If the property does not have a street address, provide the full property account ID number used by the County Assessor to identify the property.

Enter date of closing for the sale or transfer of the property.

Enter contract sales price of the property being sold or transferred.

Enter property account ID number. If the property is made up of more than one parcel and has more than one property tax account number, include all applicable property account ID numbers.

Check box describing the transferor/seller's acquisition of the property.

Check box describing the transferor/seller's use of the property at the time of the current sale, and enter the length of time the property has been used for this purpose.

Complete the transferor/seller's Adjusted Basis section by entering the purchase price when the transferor/seller acquired the property, add-

ing the cost of capital improvements (including acquisitions costs such as commissions and state transfer taxes), and subtracting depreciation, if applicable.

Transferee/Buyer's information

Enter name and address.

Check box indicating the transferee/buyer's entity type.

Attach schedule if there are multiple transferees/buyers.

Reason for Full or Partial Exemption from Withholding

Check applicable box(es) in the "Reason for Exemption" column that reflect the reason(s) for request of a full or partial exemption from the income tax withholding requirement.

Indicate the amount that claimed as subject to tax and upon which the income tax withholding should be calculated in the "Amount of Total Payment Subject to Tax" column.

Specific line instructions for Reason for Full or Partial Exemption

Line 1 Transfer is to a corporation controlled by the transferor.

Required documentation: Copy of the agreement of sale; Certificate of Good standing of transferee issued by the state in which transferee is incorporated; notarized affidavit executed on behalf of transferee by its President and Treasurer stating that immediately after the exchange the transferor(s) will own stock in the transferee possessing at least eighty percent (80%) of the total combined voting power of all classes of transferee's stock entitled to vote and at least eighty percent (80%) of the total number of shares of all other classes of stock of the transferee; and an appraisal establishing the fair market value, at the time of exchange, of any property other than stock in the transferee which is part of the consideration for the exchange. Fair market value of any such other property and/or any money which is part of the consideration for the exchange must be stated on the application as the taxable amount.

Line 2 Transfer is pursuant to a tax-free reorganization.

Required documentation: Copy of agreement governing transfer between transferor and transferee; Certificates of Good Standing of transferor and transferee issued by the state(s) in which transferor and transferee are incorporated; copy of the plan of reorganization showing that transferor and transferee are parties to the reorganization, and an appraisal establishing fair market value, at the time of the exchange, of any property other than stock or securities in the transferee which is part of the consideration for the exchange and will not be distributed by the transferor in pursuance of the plan of reorganization. The fair market value of any such other property and/or any money which is part of the consideration for the exchange and will not be distributed by the transferor in pursuance of the plan of reorganization must be stated on the application as the taxable amount.

Line 3 Transfer is pursuant to an installment sale.

Required documentation: Copy of contract of sale or copy of HUD-1 settlement sheet; copy of promissory note to transferor which will be executed by transferee at settlement. That portion of the total payment that the transferor receives at or within sixty (60) days of settlement must be stated on the application as the taxable amount.

Line 4 Transfer is by a tax-exempt entity for purposes of §501(a) of the Internal Revenue Code and transfer involves limited or no unrelated business taxable income under §512 of the Internal Revenue Code.

Required documentation: Copy of determination by the Internal Revenue Service that transferor is a tax-exempt entity for purposes of §501(a) of the Internal Revenue Code; Certificate of Good Standing of transferor issued by the state in which transferor is incorporated; notarized affidavit executed on behalf of transferor by its President and Treasurer stating that the transfer involves limited or no unrelated business income under §512 of the Internal Revenue Code.

Line 5 Transfer is to a partnership in exchange for an interest in the partnership such that no gain or loss is recognized under §721 of the Internal Revenue Code.

Required documentation: Copy of agreement governing transfer between transferor and transferee; copy of the partnership agreement of the transferee.

Line 6 Transfer is by a partnership to a partner of the partnership in accordance with §721 of the Internal Revenue Code.

Required documentation: Copy of agreement governing transfer between transferor and transferee; copy of the partnership agreement of the transferor.

Line 7 Transfer is treated as a transfer by a real estate investment trust for purposes of §857 of the Internal Revenue Code.

Required documentation: Copy of agreement governing transfer between transferor and transferee; certified copy of Articles of Incorporation of transferor; Certificate of Good Standing of transferor issued by the state in which transferor is incorporated.

Line 8 Transfer is a tax-free exchange for purposes of §1031 of the Internal Revenue Code.

Required documentation: Letter signed by the qualified intermediary, or by the person authorized to sign on behalf of a business entity acting as the qualified intermediary, which states the name(s) of the transferor(s), property description, that the individual or business will be acting as the qualified intermediary for the transferor(s) as part of a 1031 exchange of the property, whether there will be any boot, and if so, the amount of boot. The amount of any boot must be stated on the application as the taxable amount.

Line 9 Transfer is pursuant to a condemnation and conversion into a similar property for purposes of §1033 of the Internal Revenue Code.

Required documentation: Copy of agreement governing transfer between transferor and government body or authority condemning the property; notarized affidavit executed by transferor stating that transferor will identify and purchase replacement property within the time limits required by §1033 of the Internal Revenue Code, or copy of contract of sale if transferor has already identified replacement property. If proceeds from condemnation exceed price of replacement property, the excess must be stated on the application as the taxable amount.

Line 10 Transfer is between spouses or incident to divorce for purposes of §1041 of the Internal Revenue Code.

Required documentation: Copy of marriage license or divorce decree; copy of deed which will be recorded to accomplish the transfer; if incident to divorce, copy of section of court order or separation agreement governing transfer of the property.

Line 11 Transfer is treated as a transfer by an S corporation for purposes of §1368 of the Internal Revenue Code.

Required documentation: Copy of agreement governing transfer between transferor and transferee; copy of approval by the Internal Revenue Service of transferor's S corporation election; Certificate of Good Standing issued by the state in which transferor is incorporated.

Line 12 Transfer is to a disregarded entity, classified as such, that is solely owned by the transferor.

Required documentation: Copy of agreement governing transfer from transferor to transferee; certified copy of transferee's Articles of Organization; Certificate of Good Standing of transferee issued by the state in which transferee is organized; copy of transferee's Operating Agreement.

Line 13 Transfer is otherwise fully or partially exempt from the recognition of gain in accordance with attached explanation.

Required documentation: Attach any and all documents necessary to show that the transfer is fully or partially exempt from tax.

Provide brief explanation of your reason for requesting exemption

Provide a brief explanation of why the sale or transfer of the property qualifies for a full or partial exemption from the income tax withholding requirement. If necessary, attach additional documentation to support your request for a full or partial exemption, and to support your calculation of the dollar amount subject to tax, if the request is for partial exemption.

Calculation of tax to be withheld

Complete this section if you are requesting a partial exemption. This section must be completed or the application for partial exemption will be denied.

Signature(s)

Form WV/NRAE must be signed by an individual (both taxpayer and spouse if filing a joint WV income tax return), or a responsible corporate officer.

Please include a daytime telephone number where you can be reached between 8:00 AM and 5:00PM EST.

Your signature(s) signifies that your application, including all attachments is, to the best of your knowledge and belief, true, correct and complete, under the penalties of perjury.

If a power of attorney is necessary, complete federal Form 2848 and attach to your application.

Where to file

Mail the completed form and all attachments to:

WV STATE TAX DEPARTMENT
IAD/WITHHOLDING
PO BOX 784
CHARLESTON WV 25323-0784

Additional information

For additional information, please call 1-800-982-8297 or (304) 558-3333 or TDD (hearing impaired) 1-800-282-9833.