

CLOSING COSTS BY STATE



HOMESELLERSUSA GUIDES



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Seller closing costs by state

The costs a US home seller usually pays at closing, what each one is for, and how the big ones change from state to state. Every rule links to its source, and dollar examples are estimates.

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Before you read

This guide is general information, not legal, tax or financial advice. Contracts, local rules and costs vary, so check the details for your home with your agent, title company or attorney.

HomeSellersUSA connects homeowners with licensed local agents and cash buyers. We are not a real estate broker and don't value homes.

Selling a home costs money even when the price is good. Some of the costs are set by law, some by local custom, and many by nothing more than what you and the buyer write into the contract. The mix changes a lot from one state to the next, and sometimes from one county to the next. This guide walks through the usual seller costs in the order they tend to appear on a settlement statement, then gives a state by state table for the two things that vary most: transfer tax and who handles the closing.

This is general information, not legal or tax advice. Your contract and your settlement statement are what actually decide your numbers.

1 Your mortgage payoff and lien releases

For most sellers the largest deduction is paying off the existing mortgage, plus any home equity line or other lien on the property. The buyer's title company or closing attorney orders a payoff statement from each lender and pays the loans directly out of your proceeds, then records releases so the buyer gets clear title.

Federal rules require your servicer to send an accurate payoff statement **within a reasonable time, and no more than seven business days** after a written request, with some exceptions such as loans in bankruptcy or foreclosure (CFPB, Regulation Z 1026.36(c)(3)). The payoff includes interest through the payoff date, so it will be higher than the balance on your last monthly statement. Also expect small charges to record each lien release. If there are liens you did not know about, such as a contractor's lien or an unpaid judgment, the title search usually finds them, and they generally have to be paid or resolved before closing.

2 Real estate commissions since the 2024 settlement

Commissions are often the second largest cost, and they are **negotiable**. The National Association of REALTORS states that compensation "is negotiable and not set by law" (NAR, written buyer agreements guide).

The 2024 NAR settlement changed how buyer agent pay works. Since **August 17, 2024**, many agents must have a written agreement with a buyer before touring a home, and that agreement has to state the agent's compensation as a clear amount, not an open range (NAR). Offers of compensation to buyer agents **can no longer appear on the MLS**. A seller can still offer to pay some or all of the buyer's agent, either advertised off the MLS or negotiated in the purchase contract, and your listing agent can make that offer only with your written approval of the amount (NAR, offers of compensation guide).

In practice that means two separate decisions: what you agree to pay your own listing agent, and whether you offer anything toward the buyer's agent. Both are negotiable. If you sell without a listing agent, for example directly to a cash buyer, you may pay no listing commission at all, though the price and terms will differ. Our cash offer vs listing guide compares the two.

3 Title insurance, escrow and settlement fees

Owner's title insurance protects the owner if someone later brings a claim against the home that dates from before the purchase, such as an old unpaid tax or contractor lien (CFPB). It is a one-time premium paid at closing. Who pays for the buyer's owner's policy depends on the state and often the county: in some areas the seller customarily pays, in others the buyer does, and in others it is split or simply negotiated. Whatever the custom, the contract controls. The Texas guide shows how one state's standard contract handles it.

Escrow, closing or settlement fees pay the title company, escrow company or attorney who holds the money, prepares the documents and disburses the funds. How the fee is divided is again a mix of custom and contract. Expect smaller line items too, such as document preparation, courier and wire fees. You can ask for a quote before you sign.

4 Transfer taxes and recording fees

A **transfer tax** is charged when ownership changes and the deed is recorded. Depending on the state it may be called a deed tax, documentary stamps, an excise tax or a realty transfer fee. Some states charge none at all; others charge a flat percentage, a graduated rate that rises with price, or a state rate plus county or city add-ons. Who pays is set by statute in some states and by custom or the contract in others.

Here is how one state works, as an estimate only. New York State's transfer tax is \$2 for each \$500 of the price, which is 0.4%, paid by the seller (New York State Department of Taxation and Finance). On a \$400,000 sale that is about **\$1,600** in state tax, and New York City adds its own tax on top. Your state page lists the details for your state, including local add-ons where we found them.

Recording fees are separate. The county recorder charges them to put the deed and lien releases on the public record, and the amounts are set locally. They are usually small compared with the other costs.

5 Property tax, HOA dues and other prorations

Prorations make sure each side pays for the part of the year they owned the home. How they land on your statement depends on how your area bills property tax.

- **Taxes paid in arrears.** In many places the current year's bill comes later in the year, so the seller gives the buyer a credit for the days the seller owned the home, and the buyer pays the full bill later.
- **Taxes paid in advance.** Where tax is paid ahead, a seller who has already paid may get a credit back from the buyer for the days after closing.
- **HOA or condo dues** are usually prorated the same way. Associations may also charge fees for resale documents, a transfer fee or a capital contribution, and state law sets different limits on some of these. Check the association's rules and your contract.

Example, an estimate only: if the year's property tax will be about \$6,000, paid in arrears, and you close at the end of April, your share is about one third, roughly \$2,000, credited to the buyer.

6 Repairs, concessions and attorney fees

Repairs and credits. After an inspection, buyers often ask for repairs or a price reduction, and some ask for a credit toward their own closing costs. None of this is required; it is negotiated. A home warranty for the buyer is another optional cost some sellers agree to.

Attorney fees. In some states an attorney customarily conducts the closing, and in a few the buyer and seller each usually have their own lawyer. Elsewhere, title or escrow companies handle most closings and hiring an attorney is optional. The table below shows which pattern applies in each state. Even in a title company state, some sellers choose to pay a lawyer to review the contract, particularly for an estate sale, a divorce, a short sale or a property with title problems.

Federal tax on the gain is not a closing cost, but it can affect what you keep. Many homeowners can exclude up to \$250,000 of gain, or \$500,000 on a joint return (IRS Topic 701). See our capital gains guide.

7 Transfer tax and closing practice in every state

The table below comes from our own research into each state's rules, checked in **September 2026**. Laws and customs change, so treat it as a starting point and confirm with your title company, escrow officer or attorney.

How to read it:

- **Transfer tax.** "None" means we found no state level transfer tax; counties or cities may still charge fees. Where a percentage is shown, it is the state rate on the sale price. Some states use a graduated rate, so no single percentage appears, and local add-ons can raise the total. Open the state page for who customarily pays and the official source.
- **Who handles closing.** "Attorney" means closings are customarily conducted by attorneys. "Title or escrow" means title or escrow companies usually close and an attorney is optional. "Mixed" means practice varies by region or by transaction.

State	Transfer tax	Who handles closing
Alabama	0.1%, plus local	Mixed
Alaska	None	Title or escrow
Arizona	None	Title or escrow
Arkansas	0.33%	Title or escrow
California	0.11%, plus local	Title or escrow
Colorado	0.01%, plus local	Title or escrow
Connecticut	0.75%, plus local	Attorney
Delaware	2.5%, plus local	Attorney
District of Columbia	1.45%, plus local	Title or escrow
Florida	0.7%, plus local	Title or escrow
Georgia	0.1%, plus local	Attorney
Hawaii	0.1%	Title or escrow
Idaho	None	Title or escrow
Illinois	0.1%, plus local	Mixed
Indiana	None	Title or escrow
Iowa	0.16%	Mixed
Kansas	None	Title or escrow
Kentucky	0.1%	Mixed
Louisiana	None	Mixed
Maine	0.44%	Mixed
Maryland	0.5%, plus local	Title or escrow
Massachusetts	0.456%, plus local	Attorney

State	Transfer tax	Who handles closing
Michigan	0.75%, plus local	Title or escrow
Minnesota	0.33%, plus local	Title or escrow
Mississippi	None	Attorney
Missouri	None	Title or escrow
Montana	None	Title or escrow
Nebraska	0.332%	Title or escrow
Nevada	0.39%, plus local	Title or escrow
New Hampshire	1.5%	Mixed
New Jersey	Graduated or varies	Mixed
New Mexico	None	Title or escrow
New York	0.4%, plus local	Attorney
North Carolina	0.2%, plus local	Attorney
North Dakota	None	Title or escrow
Ohio	0.1%, plus local	Title or escrow
Oklahoma	0.15%, plus local	Title or escrow
Oregon	None	Title or escrow
Pennsylvania	1%, plus local	Mixed
Rhode Island	0.75%, plus local	Mixed
South Carolina	0.37%, plus local	Attorney
South Dakota	0.1%	Title or escrow
Tennessee	0.37%, plus local	Mixed
Texas	None	Title or escrow

State	Transfer tax	Who handles closing
Utah	None	Title or escrow
Vermont	0.99%	Attorney
Virginia	0.1%, plus local	Mixed
Washington	1.1%, plus local	Title or escrow
West Virginia	0.22%, plus local	Attorney
Wisconsin	0.3%	Title or escrow
Wyoming	None	Title or escrow

A few patterns stand out. In our data, 15 states have no state transfer tax, while others such as Pennsylvania charge 1% at the state level before local taxes (Pennsylvania Department of Revenue). New Jersey uses a graduated fee paid by the seller that rises with price (New Jersey Division of Taxation). Attorney closings are customary in about ten states, and in another dozen practice is mixed. Every state has its own page at /states with its transfer tax, disclosure and closing rules.

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Your next step

Your net proceeds are roughly the sale price minus your payoff, the commissions you agree to, your share of title, escrow and transfer charges, prorated taxes and dues, and any repairs or credits. Plug in your numbers with the net proceeds calculator, then compare real options. You can request a free market report from one licensed local agent, or ask for a cash offer from one local cash buyer, and see how it works first.

Questions sellers ask

What is the biggest closing cost for a home seller?

Leaving aside the mortgage payoff, which is your own debt, commissions are usually the largest cost when you use agents. They are negotiable and not set by law (NAR). In states with a high transfer tax, that can also be a significant line.

Do sellers still pay the buyer's agent after the NAR settlement?

Only if they agree to. Offers of compensation can no longer appear on the MLS, but a seller can still offer or negotiate payment to the buyer's agent, and the listing agent needs the seller's written approval of the amount (NAR).

Does the seller pay for title insurance?

It depends on where you live. In some states and counties the seller customarily pays for the buyer's owner's policy, in others the buyer does, and anywhere the contract can say otherwise. The CFPB explains what the policy covers.

Which states have no transfer tax?

In our September 2026 research, 15 states had no state level transfer tax, including Texas, Arizona and Oregon. Local fees can still apply. The table in this guide and each state page show the details and sources.

Do I need a lawyer to sell my home?

In some states attorneys customarily conduct closings; in most, title or escrow companies do, and a lawyer is optional. The table above shows the usual practice by state. Many sellers choose a lawyer for estate, divorce or title problem sales wherever they live.

Sources

1. CFPB, Regulation Z 1026.36(c)(3): <https://www.consumerfinance.gov/rules-policy/regulations/1026/36/>
2. NAR, written buyer agreements guide: <https://www.nar.realtor/the-facts/consumer-guide-to-written-buyer-agreements>
3. NAR, offers of compensation guide: <https://www.nar.realtor/the-facts/consumer-guide-offers-of-compensation>
4. CFPB: <https://www.consumerfinance.gov/ask-cfpb/what-is-owners-title-insurance-en-164/>
5. New York State Department of Taxation and Finance: <https://www.tax.ny.gov/bus/transfer/rptidx.htm>
6. IRS Topic 701: <https://www.irs.gov/taxtopics/tc701>
7. Pennsylvania Department of Revenue: <https://www.pa.gov/agencies/revenue/resources/tax-types-and-information/realty-transfer-tax.html>
8. New Jersey Division of Taxation: <https://www.nj.gov/treasury/taxation/realty.shtml>

Last reviewed September 30, 2026. Rules and costs change; check the current figures before you rely on them.



Thinking of selling? Ask one licensed local agent for a free market report, or one local cash buyer for an offer. Free to ask, no obligation.

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