



# Inyo County Documentary Transfer Tax Guidelines

## Transfer Tax Test

1. Was an interest in realty or a tenement conveyed?
2. Was there consideration for the conveyance?

If the answer to both questions is yes, and the consideration or value exceeds \$100.00, transfer tax is due.

Pursuant to California Statute and County Ordinance, the Inyo County Clerk-Recorder's office is charged with collecting documentary transfer tax upon every deed, instrument of other writing by which any lands, tenements or realty sold is granted, assigned, transferred, or otherwise conveyed when the consideration or value, exclusive of the value of any lien or encumbrance remaining at the time of the sale exceeds \$100 at the rate of \$.55 for each \$500 or fractional part thereof.

A declaration of the amount of tax due, signed by the party determining the tax or his/her agent, shall appear on the face of the document or on a separate paper. The County Recorder cannot accept a conveying document for recordation until the proper amount of tax is paid. The recorder may rely on the amount of tax declared **provided he or she has no reason to believe that the full amount of tax due has not been paid.**

Whenever the County Recorder has reason to believe that the full amount of the tax has not been paid, he or she may, by notice served upon any person liable therefore, require him/her to furnish a true copy of their records relevant to the amount of consideration or value of the interest or property conveyed. Any person who makes any material misrepresentation of fact for the purpose of avoiding all or any part of the tax shall be guilty of a misdemeanor.

## Definitions

For purposes of the Documentary Transfer Tax, **"realty"** is defined as those interest in real property which endures for a period of time, the termination of which is not fixed or ascertained by a specific number of years, such as an estate in fee simple, life estate, perpetual easement and those interests enduring for a fixed period of years but which, either by reason of the length of the term of the grant of a right to extend the term by renewal or otherwise, (i.e. a lease) consist of a bundle of rights approximating those of the class of interest mentioned above. **"Tenement"** is defined as a comprehensive legal term for any type of property interest of a permanent nature involving property that is held rather than owned giving one the right to use, enter, occupy, hold, lease, franchise, collect rents, or otherwise assert rights over property. **"Sold"** is defined as a transfer of an interest for a valuable consideration, which may involve money or anything of value. **"Consideration"** is defined as some right, interest, profit, or benefit accruing to one party, or some forbearance, detriment, loss or responsibility given, suffered, or undertaken by the other.

## Transfer Tax Exemptions

The following page contains some samples of real estate transactions that are exempt from Transfer Tax under Sections 11921-11930 of the Revenue & Taxation Code. Additional verification may be required to demonstrate a specific exemption applies to the transaction.

# Transfer Tax Exemptions

## R & T 11911

Value or consideration does not exceed \$100.00

Liened to full value: Conveyance where the liens & considerations are equal or more than the value of the property & no further consideration is given.

Conveyance confirming title: Conveyance confirms title to the grantee who continues to hold the same proportionate interest.

Changing manner in which title is held: Grantor & grantee are the same and continue to hold the same proportional interest. Transfer from joint tenants to community property is an example of this exemption.

Conveyance to confirm name change: To confirm a change in the name of the entity holding title, not a change in the entity. A name change upon marriage is an example of this exemption.

Court ordered conveyance case no: Court orders property conveyed for no consideration.

Conveyance from agent to his principal: Grantor is acting solely in his/her capacity as agent for the grantee using the funds of the grantee & receives no consideration. (deeds record concurrently)

R & T 11921 Deed of trust or other written instrument securing debt: Reconveyance upon satisfaction of a debt. Does not include deed adding a name for financing purposes.

R & T 11922 Conveyance to government agency: - Including national banks

R & T 11923 Conveyance under reorganization or adjustment plans: Federal Case No \_\_\_\_\_

R & T 11924 Conveyance by order or securities & exchange commission

R & T 11925a Conveyance by partnership to its continuing partnership: The original partnership is not terminated.

## R & T 11925d

Transfer between individual or individuals and a legal entity or entities that result solely in a change in the method of holding title to the realty and in which proportional ownership interest in the realty, whether represented by stock, membership interest, partnership interest, co-tenancy interest, or otherwise remain the same immediately after the transfer.

R & T 11926 Conveyance in lieu of foreclosure: A special tax declaration is required to determine if consideration exceeds unpaid debt.

R & T 11927 Conveyance between spouses: Transfer between spouses in dissolution or agreement in contemplation of marriage dissolution

R & T 11928 Conveyance by non-federal government agency with agreement for purchaser to immediately reconvey to the agency. (Deeds record concurrently)

R & T 11929 Conveyance by non-federal government agency of realty financed by obligations issues by nonprofit corporation.

## R & T 11930

Gift of unencumbered property: The grantee does not assume any debt obligation

Trust transfer: A transfer for the benefit of the grantor to or from his/her revocable trust.