



## YUBA COUNTY RECORDER'S OFFICE DOCUMENTARY TRANSFER TAX GUIDELINES

Pursuant to California Statute and County Ordinance, the Yuba County Clerk-Recorder's Office is charged with collecting documentary transfer tax.

The tax is levied upon every deed, instrument or 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 thereon at the time of 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 agent, shall appear on the face of the document or on a separate paper. A County Recorder cannot accept a conveying document for recordation until the proper amount of tax has been 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 to furnish a true copy of his records relevant to the amount of the consideration or value of the interest or property conveyed, and further provides that 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.

The transfer tax declaration shall include a statement that the consideration or value on which the tax due was computed was or was not, exclusive of the value of a lien or encumbrance remaining at the time of the conveyance. The incorporated or unincorporated location of the realty described must appear.

### **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 interest enduring for a fixed period of years but which, either by reason of the length of the term or 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. "**Sold**" is defined as a transfer of an interest for a valuable consideration, which may involve money or anything of value, and **consideration/** 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 Test

1. Was an interest in realty 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.

### Transfer Tax Exemptions

The reverse page contains some samples of real estate transactions that are exempt under Sections 11921-11930 of the Revenue and Taxation (R & T) Code. Documents presented for recording that fall within the exempt category **must cite the particular code section under which the exemption is claimed and appropriate wording citing the use of the code.** Additional verification may be required to demonstrate a specific exemption applies to the transaction.

## **R & T 11911**

Value or Consideration of Conveyance 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. (May be required to supply date & document No. when the grantee acquired title)

Changing Manner in Which Title is Held: Grantor & grantee are the same & continue to hold the same proportionate 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 Code 11921** Deed of Trust or other Written Instrument Securing a Debt: Reconveyance upon satisfaction/payment of a debt. Does not include a deed adding a name for financing purposes.

**R & T Code 11922** Conveyance To Government Agency: Including national banks.

**R & T Code 11923** Conveyance under Reorganization or Adjustment Plans: Federal Case No. \_\_\_\_\_ (bankruptcy).

**R & T Code 11924** Conveyance by Order of Securities & Exchange Commission

**R & T Code 11925 (a)** Conveyance from Partnership to its Continuing Partnership: The original partnership is not terminated.

**R & T Code 11925 (d)** 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, cotenancy interest, or otherwise **remain the same** immediately after the transfer.

**R & T Code 11926** Conveyance in Lieu of Foreclosure: A special tax declaration is required to determine if consideration exceeds unpaid debt.

**R & T Code 11927** Conveyance Between Spouses: Transfer between spouses in dissolution or agreement in contemplation of marriage dissolution.

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

**R & T Code 11929** Conveyance by non federal government agency of realty financed by obligations issued by nonprofit corporation.

## **R & T Code 11930**

Gift of Unencumbered Property: The grantee does not assume any debt or obligation.

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