

TRANSFER TAX EXEMPTIONS UNDER REVENUE & TAXATION CODE



Following is a list of real estate transactions that are exempt from documentary transfer tax under sections 11911-11930 of the Revenue and Taxation (R&T) Code.

When a transaction is exempt, the reason for the exemption must be noted on the document. The reason must reference the R&T Code section and include the appropriate wording as shown below.

Additional verification may be required to demonstrate a specific exemption that applies to the transaction.

| R&T Code | Reason for Exemption with Required Wording | Applicable Situations or Conditions |
|---------------------|---|--|
| 11911 | Value or consideration is less than \$100. | The property being transferred has a fair market value of less than \$100.00. |
| 11911 | Liened to full value. | The value of the liens outstanding equals or exceeds the value of the property. |
| 11911 | Agent to principal, funds of the grantee used to purchase the property. | Only applicable when two deeds are recorded concurrently. |
| 11911 | Confirms title in grantees name. | Remove community property interest, remove expired option to purchase, or exemption from tax. |
| 11911 | Changes manner in which title is held. | Applies to the conveyance where the grantors & grantees are the same and interest does not change. |
| 11911 | Confirms name change. | Change in name of the entity holding title, not a change in entity. Name change upon marriage or corporate name change are examples. |
| 11921 | Instrument securing a debt for collateral purposes only. | Used on Assignments of Lease/Rents for collateral purposes only. Not valid on deeds. |
| 11922 | Governmental agency acquiring title. | Includes foreclosing beneficiary to FHLMC or FNMA |

| R&T Code | Reason for Exemption with Required Wording | Applicable Situations or Conditions |
|---------------------|--|--|
| 11923 | Conveyance under bankruptcy Federal Case No. _____ | Approved in court proceeding |
| 11923 | Court ordered conveyance not pursuant to a sale Court Case No. _____ | Approved in court proceeding |
| 11923 | Reorganization/adjustments plan Federal Case No. _____ | Approved in court proceeding |
| 11924 | Transfer by order of the Securities and Exchange Commission Case No. _____ | Approved in court proceeding |
| 11925 | Grantors and grantees are comprised of the same parties and their proportional interest remains the same immediately following transfer. | Transfers between individual(s) and legal entity(ies) in which proportional interest remains the same. |
| 11926 | Trustees Deed upon sale or Deed in Lieu of Foreclosure. The grantee was/was not the foreclosing beneficiary. The amount of consideration paid by grantee is \$ _____. The amount of debt with interest is \$ _____. | A special tax statement is required to determine if any equity value exists. The tax exemption is for the value of the lien and does not include any equity value. |
| 11927 | Dissolution of Marriage | Transfer between spouses caused by or in anticipation of a divorce. |
| 11928 | Grantor is a non-federal government agency | Only applies when the purchaser immediately reconveys the realty to the exempt agency. The two deeds must be concurrent. |
| 11929 | Grantor is a non-federal government agency; grantee is a non-profit corporation | Does not apply to individuals or private entity(s) granting to a non-profit corporation. |
| 11930 | Transfer into or out of a trust | Interests transferred outright to, or in trust for the benefit of any person or entity. |
| 11930 | <i>Inter vivos</i> gift or reason of death | A gift made while someone is alive or the death of any person where their interest is transferred outright. |