

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.