

2015 Change for Documentary Transfer Tax Reporting

Effective January 1, 2015 the amount of all documentary transfer taxes and the location of the property will be required to be shown on all recorded documents that transfer title to real property – **no exceptions**.

AB 1888 has deleted the option that, upon request, the amount of transfer tax paid can be shown on a separate document affixed to the transfer document i.e. the Grant Deed. Some homeowners chose to do this in order to prevent the public from determining the sales price of a property by viewing the transfer tax paid on a recorded deed.

AB 1888 amends **Sections 11932 and 11933** of the Revenue and Taxation Code. Beginning next year, when a county or city imposes a transfer tax, every document subject to tax that is submitted for recordation must show the amount of tax due and the incorporated or unincorporated location of the property. County Recorders will not record any deeds or other documents unless the full amount of tax is shown and paid at the time of recording. A declaration of the amount of tax due, signed by the party determining the tax, must appear on the face of the document in compliance with Section 11932.

Prepare your clients in advance of this 2015 change – especially those clients who may have preferred that documentary transfer taxes not be shown on their deed. This will be important for them to know.

For more information, go to: http://www.clta.org/e-news/2013_2014/mar2014/sacReport_majorLegislation.html

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