

# Understanding Documentary Transfer Tax



## ***What is it?***

In the state of California, when the ownership of a property changes hands, the ownership transfer document (Grant Deed) is recorded in the County Recorder's office where the property is located. The County Recorder, under the Revenue and Taxation Code, collects a "transfer fee" on behalf of the State Board of Equalization. The fee is the Documentary Transfer Tax and is part of the revenue that is generated for the individual counties and cities.

## ***Who pays for it?***

Either the buyer or the seller will pay the documentary tax and this fee can be negotiated between both parties. Typically, in Southern California, the seller pays. By the way, the County Recorder doesn't care who pays, as long as this fee is paid when due.

## ***When is the Documentary Transfer Tax paid?***

When the County Recorder receives the property transfer document (Grant Deed, for example) for recordation.

## ***How much is the Documentary Transfer Tax?***

It depends on the location of the property. Typically the County Transfer Tax is a standard of \$1.10 per \$1,000 of the sales price throughout the State. However, there are certain cities that also collect their own City Transfer Tax and those fees will vary.

## ***Explanation***

### **Example #1:**

An Arcadia property is sold for \$1,000,000. The Documentary Transfer Tax payable to the Los Angeles County is \$1,100 =  $(\$1,000,000/\$1,000 \times \$1.10)$ . No City Documentary Transfer Tax.

### **Example #2:**

A Santa Monica beach property is sold for \$2,000,000.  
The Documentary Transfer Tax payable to Los Angeles County is \$2,200 =  $(\$2,000,000/\$1,000 \times \$1.10)$ , and the Documentary Transfer Tax payable to the City of Santa Monica is \$6,000 =  $(\$2,000,000/\$1,000 \times \$3.00)$   
Total Documentary Transfer Tax is \$8,200  $(\$2,200 + \$6,000)$ .



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# Southern California County Recorder Offices & Documentary Transfer Tax Rates



Address, Phone, Website	County Tax Per \$1,000	City	City Tax Per \$1,000	Total Tax Per \$1,000 Property Value
LOS ANGELES COUNTY Kenneth Hanh Hall of Administration 500 W. Temple St. Los Angeles, CA 90012 213.974.2045 <a href="http://www.lacounty.gov">www.lacounty.gov</a>	\$1.10	Culver City	\$4.50	\$5.60
		Los Angeles	\$4.50	\$5.60
		Pomona	\$2.20	\$3.30
		Redondo Beach	\$2.20	\$3.30
		Santa Monica	\$3.00	\$4.10
		All Other LA County Cities	\$0.00	\$1.10
ORANGE COUNTY Hall of Administration 333 W. Santa Ana Blvd. Santa Ana, CA 92701 714.834.5400 <a href="http://www.ocgov.com">www.ocgov.com</a>	\$1.10	All OC Cities	\$0.00	\$1.10
RIVERSIDE COUNTY County Administration Center 4080 Lemon Street Riverside, CA 92501 951.955.1000 <a href="http://www.countyofriverside.gov">www.countyofriverside.gov</a>	\$1.10	City of Riverside	\$1.10	\$2.20
		All Other Cities	\$0.00	\$1.10
SAN BERNARDINO COUNTY County Government Center 385 N. Arrowhead Avenue San Bernardino, CA 92415 909.387.2020 <a href="http://www.sbcounty.gov">www.sbcounty.gov</a>	\$1.10	All SB Cities	\$0.00	\$1.10
SAN DIEGO COUNTY County Administration Building 1600 Pacific Coast Highway #103 San Diego, CA 92101 619.236.3771 <a href="http://Sdpublic.sdcounty.ca.gov">Sdpublic.sdcounty.ca.gov</a>	\$1.10	All SD Cities	\$0.00	\$1.10