



SHASTA COUNTY

OFFICE OF THE ASSESSOR-RECORDER

LESLIE MORGAN, ASSESSOR-RECORDER

AUTHORITY TO ASK FOR INFORMATION -LEGAL ENTITY REVIEW CONCERNING DOCUMENTARY TRANSFER TAX / LEGAL ENTITIES

Pursuant to the authority conferred upon the Assessor / Recorder of Shasta County by the State of California through the laws of the Revenue and Taxation Code (R&T), (see excerpts set forth below for your convenience), please provide this office with requested items from the following list in order for our staff to determine “**Proportionality**” for exemption from the payment of Documentary Transfer Tax (DTT).

Please note that the staff of the Shasta County Assessor/ Recorder's office has three working (3) days from receipt of the last supporting documentation requested to make our determination. If the information provided is incomplete, or insufficient to make our determination, it may delay the recordation of your documents. In order to expedite recordation of your transaction, you may choose to pay DTT based on the fair market value of the property being transferred. After receipt of the requested information and upon our determination of “**proportionality**” by the above process, you may request in writing a refund of the DTT paid; please contact the Recorder's Office for full particulars.

Excerpted CALIFORNIA LEGISLATIVE INFORMATION regarding RECORDER'S AUTHORITY: REVENUE AND TAXATION CODE – (R&T) Excerpt of 11911.

(a) The board of supervisors of any county or city and county, by an ordinance adopted pursuant to this part, may impose, on each deed, instrument, or writing by which any lands, tenements, or other realty sold within the county shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or their direction, when the consideration or value of the interest or property conveyed (exclusive of the value of any lien or encumbrance remaining thereon at the time of sale) exceeds one hundred dollars (\$100) a tax at the rate of fifty-five cents (\$0.55) for each five hundred dollars (\$500) or fractional part thereof....

REVENUE AND TAXATION CODE – (R&T) Excerpt of 11925.

(2)(d) No levy shall be imposed pursuant to this part by reason of any transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title to the realty and in which proportional ownership interests in the realty, whether represented by stock, membership interest, partnership interest, co-tenancy interest, or otherwise, directly or indirectly, remain the same immediately after the transfer.

Selecting from the types of Legal Entity(ies) listed as the Grantor and Grantee on your Transfer Deed, please provide copies of the supporting documentation listed below to our office for review:

For CORPORATIONS:

- a. Stock Ledger, Stock Certificates,
- b. IRS Tax Return Form 1120 Schedule B, showing owners & percentages
- c. Articles of Incorporation
- d. Minutes of Authorization

For LIMITED LIABILITY COMPANY:

- a. Articles of Organization
- b. Operating Agreement, and any Amendments
- c. IRS Income Tax Returns Schedule K-1 listing percentages of ownership

For PARTNERSHIPS:

- a. Partnership Agreement, and any Amendments
- b. IRS Income Tax Returns Form 1065 Schedule B showing ownership & percentages

For TRUSTS: *If any of the above Entities are held in the medium of a Trust*

- a. Copy of the Trust document pages stating if it is Irrevocable or Revocable, who are the settlors, trustees, beneficiaries, and signature page.

(Please note that a copy of the Certification of Trust is NOT sufficient to meet this requirement.)

1450 Court Street, Suite 208-A, Redding, CA 96001-1667; TEL: 530-225-3600; FAX: 530-225-5673;
Intra County Toll Free 1-800-479-8009; Calif. Relay Service at 711 or 800-735-2922;

County website: www.co.shasta.ca.us

ASSESSOR'S AUTHORITY FOR LEGAL ENTITY REVIEW

IMPORTANT NOTICE:

Typically, and once the recorded document reaches the Assessor's Transfer Department for processing, if the documentation requested through the **proportionality** process has not been provided at the time of recording, our Transfer Department staff will send out a letter to the Legal Entity requesting said information in order to determine entity Ownership, or Change in Ownership, or Change in Control of the Legal Entity in order to determine if the transfer qualifies for exclusion from reassessment.

Please note: Under the provisions of the California Constitution, **property that has changed ownership is subject to reappraisal as of the date of transfer**, however, certain transfers have been excluded from this reappraisal requirement which is why we are required to obtain verification of proof to apply the exclusion.

One of the Assessor's responsibilities is to determine whether or not a change of ownership has occurred and whether there is an exclusion to consider in order to have an accurate assessment on the tax roll.

In this regard, California Revenue & Taxation Code Section 441 (d) (1) and Section 484 give the Assessor the authority to request copies of documents such as Articles or Organization, Operating Agreements, IRS Tax Forms: 1065, 1120 Schedule B or K-1 to determine if a change in ownership or change of control has occurred.

Sections 462 and 468 cite remedies available to the Assessor when information necessary for the purposes of securing change in ownership information required for assessment purposes is not forthcoming.

Failure to provide the requested information is a misdemeanor, and the Assessor has the power and authority to apply to the Shasta County Superior Court for an order that you appear before the court and provide the requested information.