

REAL PROPERTY TRANSFER TAX

Upon the transfer of any real property in the State of Nevada, a special tax called the Real Property Transfer Tax is imposed. The County Recorder in the county where the property is located is the agency responsible for the imposition and collection of the tax at the time the transfer is recorded. The Grantee and Grantor are jointly and severally liable for the payment of the tax. When all taxes and recording fees required are paid, the deed is recorded.

Each County Recorder's Office:

- 1 . Determines** the amount of the tax required based on the value as represented on the Declaration of Value.
- 2 . Reviews** applications for exemption and determines whether the transaction qualifies.
- 3 . Collects** the tax when the transfer of property is recorded.
- 4 . Transmits** to the State of Nevada all Real Property Transfer Taxes collected, minus a collection allowance granted by statute. See back page for contact information for the County Recorder's Offices in Nevada.

AUTHORITY

Chapter 375 of the Nevada Revised Statute (NRS) gives the counties of Nevada the authority to impose Taxes on Transfers of Real Property.

The 20th Special Session of the Nevada State Legislature in 2003, instituted, with the passage of Senate Bill 8, an additional tax rate for the General Fund and gave the Department of Taxation administrative authority and oversight.

RATES

For all counties:

- \$1.95 for each \$500 of value or fraction thereof if the value is over \$100.

In addition:

For Washoe and Churchill Counties:

- \$.10 is added.
- \$.60 is added.

THE DECLARATION OF VALUE

The **Declaration of Value** is a form prescribed by the Nevada Tax Commission to provide information with regard to the transfer of real property. The form must be filled out completely and in compliance with recording standards. It may be obtained in any County Recorder's Office and/or website (if a website is available in your county). It may also be obtained from the State of Nevada, Department of Taxation website at <http://tax.state.nv.us>.

EXEMPTIONS

There are 14 possible exemptions to the imposition of the Real Property Transfer Tax (NRS 375.090). They include in abbreviated form:

1. A mere change of identity, form or place of organization, if the affiliated corporation has identical common ownership.
2. A transfer of title to the United States, any territory or state or any agency, department, instrumentality or political subdivision thereof.
3. A transfer of title recognizing the true status.
4. A transfer of title without consideration from one joint tenant/tenant in common to one or more remaining joint tenants/tenants in common.
5. A transfer of real property if the is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.
6. A transfer of title between former spouses in compliance with a decree of divorce.

7. A transfer of title to or from a trust without consideration if a certificate of trust is present at the time of transfer.
8. Transfers, assignments or conveyances of unpatented mines or mining claims.
9. A transfer to a corporation or other business organization if the person conveying the property owns 100% of the corporation or organization to which the conveyance is made.
10. A conveyance of real property by deed which becomes effective upon the death of the grantor pursuant to NRS 111.109.
11. The making, delivery or filing of conveyances of real property to make effective any plan of reorganization or adjustment:
 - a. Confirmed under the Bankruptcy Act, as amended, 11 U.S.C. §§ 101 et seq;
 - b. Approved in an equity receivership proceeding involving a railroad; or
 - c. Approved in an equity receivership proceeding involving a corporation, if it occurs within 5 years after the change.
12. The making or delivery of conveyances of real property to make effective any order of the Securities and Exchange Commission if:
 - a. If it recites that the transfer or conveyance is necessary or appropriate to effectuate the provisions of section 11 of the Public Utility Holding Company Act of 1935, 15 U.S.C. §§ 79k;
 - b. The order specifies and itemizes the property ordered to be transferred; and
 - c. It is made in obedience to the order.
13. A transfer to an educational foundation
14. A transfer to a university foundation.

TAXPAYERS BILL OF RIGHTS

As with most taxes prescribed by the State of Nevada, the taxpayer has certain rights to fair treatment and a course of action for appealing any action he or she believes is unfair or inequitable. These rights are listed in NRS 375.240.