EXEMPTIONS

Government of the District of Columbia
Office of Tax and Revenue
Recorder of Deeds
1101 4th Street, SW
Washington, DC 20024
Phone (202)727-5374

EXEMPTION FROM RECORDATION TAX IS PROVIDED FOR DEEDS QUALIFYING UNDER D.C. CODE, TITLE 42 (2001 ED.) AS FOLLOWS:

1. Deeds recorded prior to the effective date of the enactment of this subchapter;
2. Deeds to property acquired by the United States of America or the District of Columbia;
3. Deeds to real property acquired by an institution, organization, corporation, or government entitled to exemption from real property taxation under D.C. Official Code section 47 -1002(or exempt from recordation taxes under a law of the United States of America or the District of Columbia); provided, that, unless waived by regulation, a copy of a filed real property tax exemption application accompanies the deed at the time of recordation;
4. Deeds to property acquired by an institution, organization, corporation, association entitled to exemption from real property taxation by special Act of Congress, or special Act of D.C. Council, which property was acquired solely for a purpose or purposes for which such special exemption was granted; provided, that a return, showing the purpose or purposes for which such property was acquired, shall accompany the deed at the time of its offer for recordation;
5. A purchase money mortgage or purchase money deed of trust that is recorded simultaneously with the deed conveying the real property for which the purchase money mortgage or purchase;
6. Supplemental deeds;
7. Deeds between husband and wife, parent and child, grandparent and grandchild, or domestic partners, as defined in § 32-701(3), without actual consideration therefor;
8. Tax deeds;
9. Deeds of release of property which is security for a debt or other obligation;
10. Deeds of personal representatives of Decedents, acting under the provisions of Title 20, transferring to a distributee, without additional consideration, real property of a decedent or a life estate in real property;
11. When a permanent loan deed of trust or mortgage is submitted for recordation and the tax on the construction loan deed of trust or mortgage has been timely and properly paid, no additional tax liability arise under Sect. 42-1103, except where the amount of the oblig or ís liability secured by the permanent loan deed of trust or mortgage exceeds the amount of his liability secured by the construction loan deed of trust or mortgage, in which case the tax shall be calculated only on the amount of such difference;
12. Deeds to property transferred to a qualifying lower income homeownership household in accordance with Sect. 47-3503(a);

EXEMPTIONS

13. Deeds to property transferred to a qualifying nonprofit housing organization in accordance with Sect. 47-3505(c);

14. Deeds to property transferred to a cooperative housing association in accordance with Sect. 47-3505(a)(2);

15. Construction loan deeds of trust or mortgage or permanent loan deeds of trust or mortgage in accordance with Sect. 47-3503(a)(3);

16. A deed that conveys an economic interest in improved residential real property that is owned by a cooperative housing association;

17. A deed by a transferor that conveys bare legal title to the trustee of a revocable trust, without consideration for the transfer, where the transferor is the beneficiary of the trust;

18. A deed to a property transferred to a beneficiary of a revocable trust as the result of the death of the grantor of the revocable trust;

19. A deed to a property transferred by the trustee of a revocable trust if the transfer would otherwise be exempt under this section if made by the grantor of the revocable trust;

20. A deed to property transferred to a resident management corporation in accordance with Sect. 47-3506.1; and

21. A security interest instrument in Class 1 Property, as that class of property is established pursuant to Sect. 47-813(c-4), that contains no more than 5 dwelling units;

22. A deed to property transferred pursuant to Sect. 29-1013. (LLC to Partnership);

23. A deed for the improvements known as the District of Columbia Correctional Treatment Facility, located on a portion of Lot 800 of Square 1112E, with a street address of 1901 E Street, S.E.;

(24).(A) Deeds conveying, vesting, granting, or assigning title to, an interest in, a security interest in, or an economic interest in the real property (and any improvements thereon) described as Square 454, Lots 41, 824, 838, 857, 877, 878; the portion of the public alley that reverted to

(i) former Lot 820, (which is currently known as Lot 866), and

(ii) former Lot 821 (which is currently known as Lot 867) pursuant to the Plat of Alley Closing filed with the Surveyor of the District of Columbia in Liber 17 at folio 74; and the portions of the public alley that will revert to Lots 41, 824, 838, 857, 877 and 878, all in Square 454, pursuant to the alley closing approved by the Closing of Public Alleys in Square 454 and Square 455, S.O. 98-194 Act of 1999, effective October 22, 1999 (D.C. Law 13-48; 46 DCR 6768).

(B) The amount of all taxes, fees, and deposits exempt, abated, or waived under this paragraph, section 2(b) of the Gallery Place Economic Development Amendment Act of 2000 (§ 47-1002, note), and §§ 47-902(17), 47- 1002(26), and 47-2005(32), shall not exceed, in the aggregate, $7 million;

EXEMPTIONS

(25).(A) Deeds conveying, vesting, granting, or assigning title to, an interest in, a security interest in, or an economic interest in the real property (and any improvements thereon) described as Square 299, Lot 831, in connection with debt or equity financing for the Mandarin Oriental Hotel Project until the Development Sponsor sells the Mandarin Oriental Hotel Project, as evidenced by the recordation of a deed conveying title to Square 299, Lot 831, at which time such amounts shall be due and payable without penalty or interest.

(B) The amount of all taxes, fees, and deposits deferred under this paragraph, section 2(b) of the Mandarin Oriental Hotel Tax Deferral Act of 2002 (§ 42- 1102 note) and §§ 47902(19), 47-1002(27), and 47-2005(33), shall not exceed, in the aggregate, $4 million.

(C) For purposes of this paragraph, the term:

(i) "Development Sponsor" means Portals Hotel Site, LLC, a Delaware limited liability company, and its successors and assigns.

(ii) "Mandarin Oriental Hotel Project" means the acquisition and initial development, construction, equipping, and furnishing of a Mandarin Oriental hotel within the Portals project, located on Square 299, Lot 831, consisting of a 400room hotel with approximately 33,000 square feet of associated meeting and banquet space, 2 restaurants, a health spa and fitness center totaling approximately 10,000 square feet, and approximately 90,000 square feet of public parking space for approximately 200 cars.

(iii) "Mandarin TIF Bonds" means the tax increment financing bonds issued in connection with the Mandarin Oriental Hotel Project pursuant to the Tax Increment Revenue Bonds Mandarin Hotel Project Emergency Approval Resolution of 2000, effective March 7, 2000 (Res. 13-510; 47 DCR 2133), and the Mandarin Hotel Project Modification Approval Resolution of 2000, effective December 19, 2000 (Res. 13-745; 48 DCR 83).

(D) This paragraph shall apply upon the closing of the sale of the Mandarin TIF Bonds;

(26) Deeds executed pursuant to a decree of divorce or of separate maintenance or pursuant to a written instrument incident to such divorce or separation; and

(27) Deeds to an entity described in paragraph (3) of this section of a lease or ground rent for a term, including renewals, that is at least 30 years; provided, that if the entity were the owner of the real property in which the possessory interest is conveyed, the real property would have been entitled to exemption from real property taxation under § 47-1002; provided further, that, unless waived by regulation, a copy of a filed real property tax exemption application accompanies the deed at the time of its offer for recordation.

EXEMPTIONS

(28).(A) A deed to residential real property, without consideration for the transfer, to the trustee of a special needs trust established for the benefit of a trust beneficiary who is disabled, as defined in section 1614(a)(3) of the Social Security Act, approved October 30, 1972 (86 Stat. 1471; 42 U.S.C. § 1382c(a)(3)), or from the trustee of a special needs trust that, by its terms, terminates upon the death of the disabled trust beneficiary.

(B) For the purposes of subparagraph (A) of this paragraph, a trust is a special needs trust if the trust instrument:

(i)States, among its purposes, that the trust assets are not intended to be counted in determining the beneficiary's eligibility for needs-based governmental benefits; and

(ii)(I) Names the disabled beneficiary as the sole trust beneficiary during his or her lifetime; and

(II) Provides that the disabled beneficiary shall not serve as trustee.

(29). A security interest instrument securing a credit enhancement, such as a letter of credit, issued by a for-profit business organization, where such credit enhancement is required in connection with affordable housing financing provided by the District of Columbia Housing Finance Agency that is funded in whole or in part through bonds issued pursuant to the U.S. Department of Treasury's New Issue Bond Program. This paragraph shall apply as of January 1, 2009;

(30). Beginning October 1, 2009, a security interest instrument pertaining to a cooperative housing association;

(31).Beginning October 1, 2009, a deed of economic interest pertaining to a limited-equity cooperative, as defined under § 47-802(11); and

(32).(A) A deed to property to which there is a valid certification by the Mayor that both the property and transferee are eligible for exemption from real property taxation pursuant to § 47-1005.02; provided, that, unless waived by regulation, a copy of the certification shall accompany the deed at the time it is submitted for recordation.

B) For the purposes of this paragraph, the term "deed to property" includes a deed of trust encumbering the property.