



**Government of the
District of Columbia**
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EXEMPTIONS

EXEMPTION FROM TRANSFER TAX IS PROVIDED FOR DEEDS QUALIFYING UNDER D.C. CODE, TITLE 47 (2014 ED.) AS FOLLOWS:

The following transfers shall be exempt from the tax imposed by this chapter:

- (1) Repealed;
- (2) Transfers of property by the United States of America or the District of Columbia governments, unless its taxation has been authorized by Congress;
- (3) Transfers of real property by an institution, organization, corporation, or government receiving a valid real property tax exemption for the real property under § 47-1002 (or exempt from transfer taxes under a law of the United States of America or the District of Columbia); provided further, that this exemption shall not apply to property which is exempt under § 47-1002(29) or § 47-1002(30);
- (4) Repealed;
- (5) Transfers between spouses, parent and child, grandparent and grandchild, or domestic partners as defined in § 32-701(3), without actual consideration therefor;
- (6) Transfers evidenced by deeds of release of property which is security for a debt or other obligation;
- (7) Transfers which secure a debt or other obligation;
- (8) Transfers which, without additional consideration, confirm, correct, modify, or supplement a transfer previously recorded;
- (9) Transfers of property to a qualifying lower income homeownership household in accordance with § 47-3503(b);
- (10) Transfers of property to a qualifying nonprofit housing organization in accordance with § 47-3505(b);
- (11) Transfers of property to a cooperative housing association in accordance with § 47-3503(b)(2);
- (12) A transfer of bare legal title into a revocable trust, without actual consideration for the transfer, where the transferor is the current beneficiary of the trust;
- (13) A transfer of property to a named beneficiary of a revocable trust by reason of the death of the grantor of the revocable trust;
- (14) A transfer of property 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;
- (15) The transfer of property to a resident management corporation in accordance with § 47-3506.01;
- (16) (A) A transfer of property to an entity in accordance with § 29-204.06;

(B) In order for limited liability companies to receive the exemption provided in subparagraph (A) of this paragraph, the Director of the Department of Finance and Revenue shall be notified, within 30 days, of any change to the members or interests in profits and losses during the 12-month period following the effective date of the conversion so that the applicable transfer tax can be imposed; and

(C) Violation of the provisions of subparagraph (B) of this paragraph shall be punishable pursuant to § 47-918 [repealed];

(17) (A) Transfers with respect to 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; 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, effective April 3, 2001 (D.C. Law 13-241; 48 DCR 610) [§ 2-1217.31(b)], and §§ 45-922(24) [§ 42-1102(24)], 47-1002(26), and 47-2005(32) [§ 47-2005(30)], shall not exceed, in the aggregate, \$ 7 million;

(18) 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;

(19) (A) Transfers with respect to the real property (and any improvements thereon) described as Square 299, Lot 831, in connection with the 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, passed on 2nd reading on September 17, 2002 (Enrolled version of Bill 14-466) [D.C. Law 14-232], and §§ 42-1102(25), 47-1002(27), and 47-2005(33) [§ 47-2005(34)], 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 400-room 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;

(20) Transfers pursuant to a decree of divorce or of separate maintenance or pursuant to a written instrument incident to such divorce or separation;

(21) Transfers by 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;

(22) (A) Transfers of 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 has a disability, as defined in section 1614(a)(3) of the Social Security Act, 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 trust beneficiary with a disability.

(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 beneficiary with a disability as the sole trust beneficiary during his or her lifetime; and

(II) Provides that the beneficiary with a disability may not serve as trustee.

(23) Transfers of property to a qualifying low- or moderate-income household pursuant to the Inclusionary Zoning Program established by subchapter II-A of Chapter 10 of Title 6.

(24) Transfer of real property to the District of Columbia, without consideration for the transfer, at the request of the District of Columbia, and conveyed as a bona fide gift to the District of Columbia.

(25) Transfers of property to which there is a valid certification by the Mayor that both the property and transferor are eligible for exemption from 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.

(26) Transfers of property transferred to a named beneficiary of a revocable transfer on death deed under Subchapter IV of Chapter 6 of Title 19, by reason of the death of the grantor of the revocable transfer on death deed.