

CITY OF OAKLAND
OFFICE OF FINANCE
REVENUE DIVISION

DIRECTOR OF FINANCE RULING NO. 23

EXEMPTIONS FOR TRANSFERS TO NON-PROFIT TAX EXEMPT ENTITIES

Reference: Sections 5-27.02, 5-27.03, 5-27.06, 5-27.07 and 5-27.08 of the Oakland Municipal Code.

Purpose

Establishes guidelines for allowing an exception to the imposition of this tax for transfers of real property to qualified nonprofit, tax exempt entities where sufficient guarantees document that the transfer is a gift without exchange of valuable consideration or assumption or imposition of liability for encumbrances, legal or equitable, by the transferee.

BACKGROUND

The City of Oakland, seeking to encourage donations of realty to nonprofit, tax exempt entities and to ensure that the assets are used exclusively in furtherance of the charitable purpose of the entity, sets forth the following ruling:

RULING OF THE DIRECTOR OF FINANCE

Persons seeking an exempting from the City of Oakland's Real Property Transfer Tax for the transfer of realty to a nonprofit, tax exempt entity shall submit all the following written supporting documentation to the City of Oakland, Director of Finance, 150 Frank H. Ogawa Plaza, Oakland, CA 94612:

1. A document from the United States Internal Revenue Service (IRS) or the California Franchise Tax Board granting nonprofit, tax-exempt status, effective on or before the date of transfer, to the transferee.
2. If the property is encumbered by a deed of trust,
 - A. A document from the holder of the deed of trust confirming, as of the date of transfer, the amount of the outstanding debt and the name of the debtor obligated to repay the debt t, and

- B. A written agreement between the transferor and transferee stipulating that the transferor shall be obligated to repay the debt. In the event the transferee does in fact repay the debt, a tax shall be due and payable based upon the amount of debt confirmed per item 2A above. Penalties and interest shall be assessed pursuant to Section 5-27.07 from the date of recordation.
- 3. An affidavit from the transferor and transferee stipulating that the transfer was a charitable gift and no consideration was paid or delivered, or contracted to be paid or delivered in return for the transfer of the realty, and that no encumbrance of the transferor is relieved by the transferee.