

# VIRGINIA ACTS OF ASSEMBLY -- 1995 SESSION

## CHAPTER 127

*An Act to amend and reenact § 58.1-811 of the Code of Virginia, relating to exemptions from the recordation tax.*

[H 2494]

Approved March 8, 1995

**Be it enacted by the General Assembly of Virginia:**

**1. That § 58.1-811 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-811. Exemptions.

A. The taxes imposed by § 58.1-801 shall not apply to any deed conveying real estate:

1. To an incorporated college or other incorporated institution of learning not conducted for profit, where such real estate is intended to be used for educational purposes and not as a source of revenue or profit;

2. To the trustee or trustees of any church or religious body, where such real estate is intended to be used exclusively for religious purposes, or for the residence of the minister of any such church or religious body;

3. To the United States, the Commonwealth, or to any county, city, town, district or other political subdivision of the Commonwealth;

4. To the Virginia Division of the United Daughters of the Confederacy;

5. To any nonstock corporation organized exclusively for the purpose of owning and/or operating a hospital or hospitals not for pecuniary profit;

6. To a corporation upon its organization by persons in control of the corporation in a transaction which qualifies for nonrecognition of gain or loss pursuant to § 351 of the Internal Revenue Code as it exists at the time of the conveyance;

7. From a corporation to its stockholders upon complete or partial liquidation of the corporation in a transaction which qualifies for income tax treatment pursuant to §§ 331, 332, 333 or § 337 of the Internal Revenue Code as it exists at the time of liquidation;

8. To the surviving or new corporation, partnership or limited liability company upon merger or consolidation of two or more corporations, partnerships or limited liability companies, or in a reorganization within the meaning of § 368 (a) (1) (C) and (F) of the Internal Revenue Code as amended;

9. To a subsidiary corporation from its parent corporation, or from a subsidiary corporation to a parent corporation, if the transaction qualifies for nonrecognition of gain or loss under the Internal Revenue Code as amended;

10. To a partnership or limited liability company, when the grantors are entitled to receive not less than fifty percent of the profits and surplus of such partnership or limited liability company;

11. From a partnership or limited liability company, when the grantees are entitled to receive not less than fifty percent of the profits and surplus of such partnership or limited liability company;

12. To trustees of a *revocable inter vivos* trust, when the grantors in the deed and the beneficiaries of the trust are the same persons, *regardless of whether other beneficiaries may also be named in the trust instrument, when no consideration has passed between the grantor and the beneficiaries*; and to the original beneficiaries of a trust from the trustees holding title under a deed in trust; or

13. When the grantor is the personal representative of a decedent's estate or trustee under a will or inter vivos trust of which the decedent was the settlor, other than a security trust defined in § 55-58.1, and the sole purpose of such transfer is to comply with a devise or bequest in the decedent's will or to transfer title to decedent's spouse or the kindred of decedent or decedent's spouse in accordance with a dispositive provision in the trust instrument.

B. The taxes imposed by §§ 58.1-803 and 58.1-804 shall not apply to any deed of trust or mortgage:

1. Given by an incorporated college or other incorporated institution of learning not conducted for profit;

2. Given by the trustee or trustees of a church or religious body;

3. Given by any nonstock corporation organized exclusively for the purpose of owning and/or operating a hospital or hospitals not for pecuniary profit.

C. The tax imposed by § 58.1-802 shall not apply to any transaction described in subdivisions 6 through 13 of subsection A of this section, nor to any:

1. Instrument or writing given to secure a debt;

2. Deed conveying real estate from an incorporated college or other incorporated institution of learning not conducted for profit;

3. Deed conveying real estate from the Commonwealth or any county, city, town, district or other

political subdivision thereof;

4. Conveyance of real estate to the Commonwealth or any county, city, town, district or other political subdivision thereof, if such political unit is required by law to reimburse the parties taxable pursuant to § 58.1-802; or

5. Deed conveying real estate from any church or religious body.

D. No recordation tax shall be required for the recordation of any deed of gift between an individual grantor or grantors and an individual grantee or grantees when no consideration has passed between the parties. Such deed shall state therein that it is a deed of gift.

E. The tax imposed by § 58.1-807 shall not apply to any lease to the United States, the Commonwealth, or any county, city, town, district or other political subdivision of the Commonwealth.

F. The taxes imposed by §§ 58.1-801, 58.1-802, 58.1-807, 58.1-808 and 58.1-814 shall not apply to (i) any deed of gift conveying real estate or any interest therein to The Nature Conservancy, or (ii) any lease of real property or any interest therein to The Nature Conservancy, where such deed of gift or lease of real estate is intended to be used exclusively for the purpose of preserving wilderness, natural or open space areas.

G. The words "trustee" or "trustees," as used in subdivision 2 of subsection A and subdivision 2 of subsection B, mean the trustees mentioned in § 57-8 and the ecclesiastical officers mentioned in § 57-16.

H. No recordation tax levied pursuant to this chapter shall be levied on the release of a contractual right, if the release is contained within a single deed that performs more than one function, and at least one of the other functions performed by the deed is subject to the recordation tax.