

**Current Text of California Code of Regulations,  
Title 18, Section 462.040, *Change in Ownership - Joint Tenancies*,  
The State Board of Equalization is Proposing to Move**

As part of the proposed amendments to California Code of Regulations, title 18, section (Property Tax Rule) 462.040, *Change in Ownership – Joint Tenancies*, the Board is proposing to:

1. Move the following text from current subdivision (b)(1) to new subdivision (b)(1)(A):

If a spouse of an “original transferor” acquires an interest in the joint tenancy property either during the period that the “original transferor” holds an interest or by means of a transfer from the “original transferor,” such spouse shall also be considered to be an “original transferor.” “Spouse” includes a registered domestic partner who shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities and obligations as granted to and imposed upon spouses pursuant to section 297.5 of the Family Code.

2. Move the following text from current subdivision (b)(1) to new subdivision (b)(1)(D):

For a transfer of a joint tenancy interest into trust from November 13, 2003 to a date before October 1, 2013, any joint tenant may also become an “original transferor” by transferring his or her joint tenancy interest to the other joint tenant(s) through his or her trust if the trust instrument names the other joint tenant(s) as the present beneficiary or beneficiaries.

3. Move the following text from current example 5 and renumber it as example 16:

A and B purchase property as joint tenants. On December 12, 2004, A and B transfer their property interests to each other as joint tenants through their respective trusts. A and B are transferors who are among the joint tenants and are, therefore, considered to be “original transferors.” If A and B had transferred their interests into trust on or after October 1, 2013, neither A’s trust nor B’s trust would be considered a joint tenant and neither A nor B would be considered an “original transferor” as a result of the transfer into trust.

4. Move the following text from current example 11 and renumber it as example 6 (before amending it):

A and B acquire real property as joint tenants. A and B transfer to B, C, and D, as joint tenants.  $66\frac{2}{3}$  percent change in ownership of the transferred interests because A is not one of the transferees.

5. Move the following text from current example 12 and renumber it as example 17 (before adding a new last sentence):

A and B purchase property as joint tenants. On August 13, 2003, A and B sell a 50 percent interest to C and D, with the deed showing A, B, C and D as joint tenants. A and B become “original transferors.” C and D become “other than original transferors.” On December 13, 2003, C and D then transfer their joint tenancy interests to their respective trusts for the benefit of the remaining joint tenants. C and D become “original transferors.” On January 13, 2004, A and B then sell their remaining 50 percent to C and D, and go off title. Under circumstances where application of the step-transaction doctrine to disregard the form of the transaction would be appropriate due to their intent to avoid a change in ownership, A, B, C and D do not become “original transferors” as the result of their transfers to each other.