

BE PREPARED

Don't let the new Real Property Transfer Tax catch you unaware

The City of Santa Monica's Measure GS and L.A. City's Measure ULA go into effect, respectively, on **March 1, 2023** and **April 1, 2023**.

Santa Monica Measure GS

Santa Monica Measure GS will go into effect on **March 1, 2023**. This measure adds a third tier tax rate on sales of properties over 8 million dollars in the City of Santa Monica for schools, homelessness prevention, and affordable housing.

Prior to March 1, 2023, there are only two tax tiers in the City of Santa Monica:

Tier one- \$3.00 (per \$1,000.00) on sale amounts of \$4,999,999 or less

Tier two- \$6.00 (per \$1,000.00) on sale amounts of \$5,000,000.00 and above.

Subsequent to March 1, 2023, there will be **three tiers** and they will be as follows:

Tier one- \$3.00 (per \$1,000.00) on amounts of \$4,999,999 or less

Tier two- \$6.00 (per \$1,000.00) on amounts of \$5,000,000 thru \$7,999,999.00

Tier three- \$56.00 (per \$1,000.00) on amounts \$8,000,000.00 and above.

Los Angeles (City) Measure ULA

Los Angeles Measure ULA will go into effect on **April 1, 2023**. This measure adds an additional transfer tax for sale of properties in the City of Los Angeles, on top of the City's existing real property transfer tax rate of 0.45%, for sales of over \$5,000,000.00 and \$10,000,000.00, for establishing programs to increase affordable housing and to provide resources to tenants at risk of homelessness.

1. Prior to April 1, 2023 properties sold in the City of Los Angeles are charged a Real Property Transfer Tax of 0.45%.

2. Subsequent to April 1, 2023 properties sold in the City of Los Angeles for less than \$5,000,000.00 will be charged a Real Property Transfer Tax of 0.45%.

3. Subsequent to April 1, 2023 properties sold in the City of Los Angeles at \$5,000,000.00 thru \$9,999,999.99 will be charged a Real Property Transfer tax of 4.45%.

4. Subsequent to April 1, 2023 properties sold in the City of Los Angeles at \$10,000,000.00 and above will be charged a Real Property Transfer Tax of 5.95%

In summation, after April 1, 2023, the rates for the City of Los Angeles can be applied as follows:

Property Value Ranges	Real Property Transfer Tax Rate	Measure ULA Rate	Total Applicable Rate
>\$100; ≤\$5,000,000	0.45%	0%	0.45%
> \$5,000,000;<\$10,000,000	0.45%	4%	4.45%
≥ \$10,000,000	0.45%	5.5%	5.95%

If you have further questions involving a sale transaction in the City of Santa Monica or the City of Los Angeles that falls in the above value ranges, please reach out to your sales representative for guidance.

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