
Revocable Trusts and Real Property in Washington, D.C.

1 Mar 2019

[Roy L. Kaufmann](#)

When thinking about transferring a Washington, D.C. real property into a revocable trust, there are several considerations to take into account.

BEGINNING STEPS:

To ensure the transfer occurs properly, a deed has to be recorded. A transfer is usually exempt from transfer and recordation taxes, provided that the trust is revocable and that the grantor remains the beneficiary.

DEDUCTIONS:

In most circumstances, the property will naturally continue to enjoy the homestead deduction; however, to guarantee that the property maintains the deduction, it is recommended that an [FP100: Homestead Deduction, Senior Citizen, and Disabled Property Tax Relief Application/Reconfirmation](#) form be submitted to the [District of Columbia Office of Tax and Revenue](#) (OTR) when the property transfer is recorded. Prior to the form being submitted, the top of the first page should have written on it "Reconfirmation" and a copy of the revocable trust should be included. For additional information, contact the Homestead Unit of OTR at (202) 727-4TAX.

SHORT-TERM LEASING:

It is worth noting that, even if the property is owner-occupied, the owner will lose eligibility for a short-term rental license, such as Airbnb because those licenses are only granted to hosts who are natural persons.

LONG-TERM LEASING:

Additionally, by placing real property in a revocable trust, the property becomes subject to rent control. The same natural person language mentioned previously is the source of these restrictions. If the real property is owned by a natural person there is an exemption from rent control for natural persons who own four or fewer rental accommodations. But, if the property is owned by a trust, limited liability company, or other entity, there is no exemption.

This alert is not intended to contain legal advice or to be an exhaustive review. If you have any questions about real property in revocable trusts, please contact [Roy Kaufmann, Esq.](#) at Jackson & Campbell, P.C.

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TAGGED: District of Columbia Office of Tax and Revenue, Homestead Unit, homestead deduction, real property in revocable trusts, DC real property, revocable trusts, Real Estate Revocable Trusts, DC Real Estate Revocable Trusts, revocable trusts and real property