

# Vehicle Licensing Guide

## Living Trust-Application for Title VLIC-3.515

**Original Date:** 01/16/1992  
**Revision Date:** 07/01/2022

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POLICY	
<b>Title:</b> Living Trust-Application for Title	
<b>Effective Date:</b> 01/16/1992	<b>Revision Date:</b> 07/01/2014
<b>Authority:</b> Code of Virginia § <a href="#">58.1-2403</a>	
<b>Policy:</b> Upon application from the vehicle owner(s), DMV will transfer a vehicle title as follows: <ul style="list-style-type: none"><li>From the vehicle owner(s) to the trustees of a trust,</li><li>From the trustees of a trust to the vehicle owner(s), or</li><li>Upon the death of the vehicle owner(s), from the trustees of the trust to the beneficiaries named in the trust,</li></ul> The transfer of a vehicle to or from a trust qualifies for exemption from sales and use tax (SUT) pursuant to Va. Code § <a href="#">58.1-2403</a> provided that: <ul style="list-style-type: none"><li>The trust documents state that the trust is a REVOCABLE trust,</li><li>The original owner(s) of the vehicle is the trustmaker and is also named as the beneficiary(ies) of the trust, regardless of whether other beneficiaries are also named in the trust,</li><li>The owner states that no consideration has passed between the owner(s) and any of the beneficiaries, and</li><li>For titles with liens, the lien already exists on the title being transferred.<ul style="list-style-type: none"><li>Titles being transferred with a NEW LIEN do not qualify for SUT exemption.</li></ul></li></ul>	
<b>Exception:</b> Motor Vehicle SUT must be collected for vehicles being transferred to or from a trust when either of the following is true: <ul style="list-style-type: none"><li>The vehicle is purchased new and never titled, or</li><li>The vehicle is being transferred from the vehicle owner (trustmaker) into the trust AND there is a new lien contract for the vehicle in the name of the trust.</li></ul>	

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## DEFINITIONS

**NON-REVOCABLE TRUST** – A trust in which the trustmaker cannot revoke and usually may not change the terms of the trust or take back the assets. The trustmaker gives up ownership and control of the assets placed in the trust.

**PRIVATE TRUST** - A trust that is not required to be probated, allowing it to avoid being recorded in public records. Revocable trusts are considered to be private trusts. In a private trust the beneficiary (the person or entity which receives the equitable title in the property) is private and non-charitable.

**REVOCABLE TRUST** - Also called a Living Trust or an Inter Vivos trust, is a trust created by a trustmaker (creator or grantor) to function during the lifetime of the individual who has created it for the benefit or support of another individual. The trustmaker continues to own and control the assets placed in the trust. A revocable, or living trust can be modified at any time.

**TRUSTEE** - An individual authorized to act on behalf of the living trust. The trustee or trustmaker may be one in the same. The trustee is authorized to transact business related to a trustmaker's vehicle.

**TRUSTMAKER** - The person(s) who sets up, or establishes a trust.

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## OVERVIEW

The person who creates a trust (trustmaker) may title a vehicle that is currently titled in his name into the name of the trust. Once titled in the name of the trust, the trustmaker no longer owns the vehicle. Only the trustee for the trust, or the holder of the trustee's power of attorney (POA), may transact DMV business for the vehicle. If the trustmaker names himself or herself as the trustee of the trust, then after the trustmaker's death, the beneficiary of the trust may transact business for the vehicle.

For vehicle transfers to qualify for exemption from motor vehicle sales and use tax (SUT), the trust documents must state that the trust is "REVOCABLE" and the transaction must meet the required conditions.

If the person designated as trustee changes, an amended trust document must be presented the next time business is transacted for the vehicle and the new trustee(s) name(s) should be entered in the system under the "additional title information" field. The date on the amended trust document must be later than the date the original trust was created. Changing of the trustee(s) does not require re-titling the vehicle, but a substitute title will need to be issued that shows the new trustee's name and the substitute title fee collected. (Refer to [VLIC-3.120](#).)

Upon the death of the trustmaker, vehicles in the deceased's name may be added to the living trust or private trust if a copy of the will is provided directing any assets outside of the trust to be placed in the trust upon the person's death.

**NOTE:** No proof of address is required to title a vehicle to a trust since a trust is not an individual.

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## CUSTOMER REQUIREMENTS

1. Submit Certificate of Title, Application for Certificate of Title and Registration ([VSA 17A](#)) or Application for Certificate of Title-Manufactured Home ([VSA-17B](#)) and other required documents for titling following guidelines in [VLIC-3.000](#).
2. Submit the original living trust or private trust documents displaying the trustee's name(s).
  - When applying to change the name(s) of the trustee(s), submit an amended trust document as evidence of the requested change with a date that is later than the date of the original trust.
  - If applying to change the name(s) of the trustee(s) only, without transferring a title, process a substitute title (refer to [VLIC-3.120](#)).
3. Submit the Transfer of Certificate of Title with Lien ([SUT 4](#)) when transferring a title with a lien.

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4. Write the new owner's name on the application or certificate of title as shown below when transferring title to a trust:

The <Trustmaker's name> Revocable (or Non-Revocable) Living Trust

OR

The <Trustmaker's name> Revocable (or Non-Revocable) Private Trust

**NOTE:** Do not use commas in the name of the trust. **END REVISION>>>>>**

5. Pay the title, sales and use tax, and license plate fees, when applicable.

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## FRONT COUNTER CSR

1. Review and verify completion of application for title and other submitted titling documents following guidelines in [VLIC-3.000](#).
2. Review submitted trust documents to verify that the customer is the vehicle owner(s), trustee(s), or person with POA for the trustee named in the trust documents.
3. Verify completion of the SUT 4 when transferring a title with lien.
4. Verify the assigned FEIN as the customer number for the trust.
  - Verify that the FEIN provided for the trust is not the trustmaker's SSN.
  - If no FEIN is assigned, issue a system-generated customer number for the trust.

**NOTE:** NO proof of address is required for a trust since it is not an individual.

### <<<<<REVISION

5. When adding a trust to the system for the first time, ensure the name of the trust on the application and in the system is entered as shown below:

The <Trustmaker's name> Revocable (or Non-Revocable) Living Trust

OR

The <Trustmaker's name> Revocable (or Non-Revocable) Private Trust

**NOTE:** Trusts are created in the system as a business, therefore commas are not used in the name of the trust. **END REVISION>>>>>**

6. Collect the title, sales and use tax and license plate fees.

- Collect the greater of the SUT on the sales price of the vehicle, or minimum SUT if:
    - The vehicle was purchased new AND never titled, or
    - The vehicle is being transferred from the owner (trustmaker) into the trust AND there is a new lien contract in the name of the trust.

**NOTE:** Use NADA average retail value in place of trade-in value for mopeds, ATVs, and off-road motorcycles. No NADA trade-in value is provided for these vehicles and minimum SUT requirements do not apply (refer to [VLIC-4.620](#) and [Internet NADA Guide](#)).
  - DO NOT collect SUT if:
    - The vehicle is being transferred from the owner (trustmaker) into the trust and is carrying forward an existing lien AND ALL of the following is true.
      - The trust document must state that the trust is REVOCABLE,
      - The owner must be a beneficiary of the trust, and
      - The existing lien must be transferred. There must NOT be a new loan contract.
    - The vehicle is being transferred from the owner (trustmaker) into the trust, or from the trust back to the original owner(s) (trustmaker(s) name) AND ALL of the following is true:
      - The trust documents state that the trust is REVOCABLE, and
      - The owner (trustmaker) is one of the trust's beneficiaries, and
      - The owner states that no consideration has passed between the owner and any of the beneficiaries.
7. Enter the trustee's name(s) followed by "trustee" in the "additional title information" field.
- For application to change the name of the trustee(s) when the title is not being transferred, process a substitute title (refer to [VLIC-3.120](#)).
8. Continue processing title in accordance with [VLIC-3.000](#).

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## POINTS TO REMEMBER

- A vehicle being **purchased** and titled to the trust, or that has never been titled and is being titled in the name of the trust, is subject to payment of the SUT.
- If the trust does not state that it is a "Revocable" trust, a transfer of title to the trust is NOT exempt from payment of the SUT.
- The transfer of a vehicle to a vehicle owner's revocable trust is SUT exempt provided the owner (trustmaker) is also a beneficiary of the trust, and the owner state that no payment or other considerations has passed between the owner and any of the beneficiaries
- The transfer of a vehicle with an existing lien from the owner (trustmaker) into a revocable trust is SUT exempt provided the owner of the vehicle is also a beneficiary of the trust, and the lien being transferred is NOT a new lien.
- The transfer of a vehicle from the revocable trust back into the name of the original owner, who is also listed as a beneficiary of the trust, is SUT exempt because he paid SUT on the original purchase of the vehicle.
- The transfer of a vehicle to a revocable trust due to the passing of the vehicle owner is SUT exempt only if a copy of the will is provided directing any assets outside of the trust to be placed in the trust upon the owner's passing.

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## CONTACT

For additional information contact:

- Your CSC Manager/Assistant Manager
- DMV Customer Contact Center Help Desk at (804) 367-6646
- Vehicle Services/[Titling Work Center](#)

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