



Ways to Take Title in Arizona

Community Property	Joint Tenancy With the Right of Survivorship	Community Property With the Right of Survivorship	Tenants in Common
<ul style="list-style-type: none">• Requires a valid marriage between two persons.• Each spouse holds an undivided one-half interest in the estate• One spouse cannot partition the property by selling his or her interest.• Requires signatures of both spouses to convey or encumber.• Each spouse can devise (will) one-half of the community property.• Upon death, the estate of the decedent must be "cleared" through probate, affidavit or adjudication.• Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.	<ul style="list-style-type: none">• Parties need not be married; may be more than two joint tenants.• Each joint tenant holds an equal and undivided interest in the estate, unity of interest• One joint tenant can partition the property by selling his or her joint interest• Requires signatures of all joint tenants to convey or encumber the whole.• Estate passes to surviving joint tenants outside of probate.• No court action required to "clear" title upon the death of joint tenant(s).• Deceased tenant's share is entitled to a "stepped up" tax basis as of the date of death.	<ul style="list-style-type: none">• Requires a valid marriage between two persons.• Each spouse holds an undivided one-half interest in the estate• One spouse cannot partition the property by selling his or her interest.• Requires signatures of both spouses to convey or encumber.• Estate passes to the surviving spouse outside of probate.• No court action required to "clear" title upon the first death.• Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.	<ul style="list-style-type: none">• Parties need not be married; may be more than two tenants.• Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate; e.g., 20% and 80%, 60% and 40%, etc.• Each tenant's share can be conveyed, mortgaged, devised to a third party.• Requires signatures of all tenants to convey or encumber the whole.• Upon death, the tenant's proportionate share passes to his or her heirs by will or intestacy.• Upon death, the estate of the decedent must be "cleared" through probate, affidavit or adjudication.• Each share has its own tax basis.

Note: Arizona is a community property state. Property acquired by a husband and wife is presumed to be community property unless legally specified otherwise. Title may be held as "Sole and Separate". If a married person acquires title as sole and separate, his or her spouse must execute a disclaimer deed to avoid the presumption of community property. Parties may choose to hold title in the name of an entity; e.g., a corporation, a limited liability company, a partnership (general or limited), or a trust. Each method of taking title has certain significant legal and tax consequences. Therefore, you are encouraged to obtain advice from an attorney or other qualified professional.