



Tax Savings Programs

Adopted by California voters in 2021

Inheriting Property

- [Proposition 19](#), or the Home Protection for Seniors, Severely Disabled, Families and Victims of Wildfire or Natural Disasters Act, is a Constitutional Amendment that imposes new limits on property tax benefits for inherited family property. Under [Proposition 19](#), a child or children may keep the lower property tax base of the parent(s) ONLY if the property is the principal residence of the parent(s) and the child or children make it their principal residence within one year.

Transfer of Property Tax Base

- The other component of [Proposition 19](#) allows homeowners who are over 55 years of age, disabled, or victims of a wildfire or natural disaster, to transfer their lower assessed property value of their primary home to a newly purchased or newly constructed replacement principal residence up to three times (or once per disaster). The tax base may be transferred to a property located anywhere in the state.

[Proposition 19](#) changes two programs currently administered by county assessors:

1. Parent-Child Transfers (Prop. 58)/Grandparent-Grandchild Transfers (Prop. 193), [effective February 16, 2021](#); and
2. Senior Citizen and Disaster Relief Tax Base Transfers (Prop. 60/90 /50/171), [effective April 1, 2021](#).

Parent-Child Transfers & Grandparent-Grandchild Transfers

- [Prop. 58 & Prop. 193](#), allowed a parent(s), and in certain cases grandparent(s), to transfer their existing property assessments of a principal residence of any value without triggering a reassessment, which is generally required upon a change in ownership - even if the child uses the property as rental property. [Prop. 58 & Prop. 193](#) also allowed for the inheritance of property assessments for up to \$1 million in additional real estate, whether residential or commercial.

Under Proposition 19, in order to inherit the lower property assessment of the parent(s) or grandparent(s), the following conditions must be met:

- The property must be the principal residence of the parent(s) or grandparent(s)
- The property must become the principal residence of the child or grandchild within one year
- Only the principal residence of a parent(s) or grandparent(s) qualifies for a base year value transfer. Other property, residential or commercial no longer qualify for this benefit
- This provision applies to transfers starting Feb. 16, 2021 (since Feb. 15 is a holiday).

Senior Citizen Tax Base Transfers

- [Propositions 60/90](#) and [110](#) allowed persons over 55 or severely and permanently disabled persons to transfer the taxable value of their existing home to their new replacement home, so long as the market value of the new home is equal to or less than the existing home's value and located in Los Angeles County or one of nine other participating counties in California. [Proposition 19](#) allows eligible homeowners to transfer the taxable value of their existing home to their new replacement home of any value*, anywhere within the state, up to three times (rather than once as provided under current law).
- * *Subject to conditions.*
- The effective date of implementation is April 1, 2021.

Disaster Relief Tax Base Transfers

- [Prop. 50](#) provided that the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor may be transferred to comparable property within the same county. [Prop. 171](#) allows the transfer of the base year value of a principal residence to a county that has adopted the ordinance. [Prop. 19](#) allows homeowners to purchase a replacement home of greater value than their original home and transfer their tax base with an adjustment to account for the value difference in cases of homes destroyed by wildfires or other natural disasters.
- The effective date of implementation is April 1, 2021.

Source for this information is: assessor.lacounty.gov