
From: Paul Marcos
Sent: Friday, November 19, 2021 12:42 PM
To: Nanjo, Henry
Cc: Paul Marcos
Subject: [External] Comments for Rule 462.540

Hello Mr. Nanjo,

I had previously submitted written comment regarding a clarification I was hoping to see in section (e)(4)(B) in "Timing of Transfer" of 462.540. I was just looking at the changes that were recently made to the 462.540 text and unfortunately I feel the modifications have made the situation more confusing, not less.

My previous comments were in regard to the case of new construction performed after the transfer of base year value, and the full cash value of the new construction plus the full cash value of the replacement primary residence is GREATER than the full cash value of the original primary residence. In the previous version of 462.540, Example 12 clarified this case by indicating that if the new construction value plus the full cash value of the replacement primary residence is greater than the full cash value of the original primary residence then the difference is added to the factored base year value.

Example 12 was a helpful example and should be kept. In the updated version of 462.540, the situation isn't clear and there's no longer an example giving any indication about how new construction after a base year transfer is handled. This is a step backward.

Perhaps the original Example 12 would be appropriate to include under (b) Valuations, instead? In (b)(2), the case of the FCV of the replacement being greater than the FCV of the original primary residence is discussed, although the topic of new construction is not included. Adding an example would be helpful to make the case of new construction clear.

Thank you for the time and attention given to my comments.

Paul Marcos

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