

505.0000 HOMEOWNERS' EXEMPTION

See Mobilehome

505.0001 Claims.

1. An unsigned exemption claim may not be allowed.
2. The exemption may be denied to any owner-occupant refusing to disclose his social security number on the exemption claim. LTA 3/23/82 (No. 82/50).

505.0002 Claims.

1. If a husband and wife occupy a home that is wholly owned by either spouse, the social security numbers of both must be listed on the claim form, but only the owner may sign the claim.
2. If two or more related or unrelated co-owner-occupants of a home file a claim, all names and social security numbers may be listed on the claim form; however, only one name and social security number must be reported to the Board, unless the co-owner is a spouse, in which case the spouse's social security number must also be reported.
3. The signature of one spouse who is a co-owning occupant with the other spouse will be valid for both spouses so long as one or both of them continues to reside on the property as their principal place of residence. Thus, if either spouse dies, the claim remains in effect during the life of the remaining owner-occupant spouse. Property Tax Rule 135(a)(3) does, however, permit the assessor to require the refilling of the claim by the non-signing spouse who signed the claim has died.
4. If a claim has the social security numbers of both spouses, but only the signature of one spouse, and they separate but remain legally married, the claim will remain in effect during the occupancy of the property by one spouse as a principal place of residence.
5. If a claim has the social security numbers of both spouses, but only the signature of one spouse, and they divorce, the claim will no longer be valid if the signing spouse moves. Unless and until the non-signing spouse files a claim for the exemption and meets all of the requirements for exemption, the property would no longer receive the exemption. C 11/27/2001.

505.0005 Condominiums.

1. The exemption is allowable where an owner's deed grants to him a percentage interest in the property and the right to the exclusive occupancy of a particular apartment even though the interest is not separately assessed, as it should be.
2. A leasehold or subleasehold condominium does not qualify for the exemption.
3. The exemption may be allowed on a condominium where a portion of the improvement is owned in fee but the land is leased. LTA 3/23/82 (No. 82/50).

505.0010 Conservator or Guardian. The exemption may be claimed by the conservator or guardian of a homeowner eligible for the exemption but incompetent to make the claim. C 2/10/69; LTA 3/23/82 (No. 82/50).

505.0015 Cooperative Mobilehome Park. The occupants of a cooperative mobilehome park are entitled to the exemption on their respective portions of the land occupied as their principal places of residence. The corporation must annually file the prescribed Form SBE-ASD 266D, and each shareholder occupying a space as a principal place of residence must

file a homeowners' claim for the land on which his place of abode is situated. The exemption is to be allowed against the market value of each site. C 3/7/78.

505.0017 Corporate Ownership. Property eligible for the homeowners' exemption becomes ineligible when it is transferred by a husband and wife as joint tenants to a corporation which they own. If their ownership interests remain unchanged after the transfer, Revenue and Taxation Code section 62(a)(2) would exclude the transfer from change in ownership, but that exclusion is separate and apart from exemption considerations and would not enable them to continue receiving the homeowners' exemption. C 12/29/80.

505.0019 Disaster Impact. Temporary absence from a dwelling for repairs made necessary by a natural disaster, such as a flood or fire, will not result in the loss of the homeowners' exemption, provided the owner demonstrates that he or she returned to the dwelling when possible to do so. When a dwelling has been totally destroyed, however, the exemption is not applicable until the structure has been replaced and is occupied as a dwelling, except as provided subdivisions (d), (e), and (f) of Revenue and Taxation Code section 218. There is no federal or state law that exempts privately-owned dwellings in the course of construction from property taxation. C 3/20/92; LTA 11/24/2004 (No. 2004/069).

505.0020 Double Exemption Claims. A husband and wife may not claim two exemptions for separately located houses, each of which is occupied on the lien date by one of them. Where a husband and wife have more than one residence, their principal residence is the residence at the place at which they intend to live permanently. C 7/25/79.

505.0025 Equitable Title Holder. Under a contractual agreement for sale and purchase of real property, an equitable owner of real property may qualify as an owner for purposes of receiving the exemption, assuming all the requirements therefor are met. C 9/21/78.

505.0030 Escape Assessments. Where property sold on or after March 1 but before July 2 has improperly received the exemption, an escape assessment should be entered on the secured roll but interest and penalties should be forgiven. C 7/24/79.

505.0035 Escrow, Recordation, Title.

1. The exemption may be claimed for a property which is in escrow on the lien date if the purchaser has occupied it on February 28 and all conditions precedent to a binding contract of sale have been fulfilled.
2. The exemption is allowable for property held in the name of a business if the claimant is the sole owner of the business and all other conditions necessary for the exemption are met.
3. The exemption is not allowable for property held in the name of a corporation.
4. A person whose interest in property is evidenced by a "deposit receipt" is not eligible for the exemption. LTA 3/23/82 (No. 82/50).

505.0040 Estates, Trusts, Power of Attorney, Guardian.

1. An occupant of property who owns a life estate therein may receive the exemption. An occupant remainderman (the person acquiring the property after the death of the life estate owner) may not receive the exemption while a life estate interest exists.
2. The exemption is allowable to an occupant who has a life estate in his home but it does not extend to land not included in the life estate.
3. The exemption is allowable to an occupant who is a trustor under a revocable "living trust."

4. The exemption is allowable to an occupant who is a trustor under an irrevocable trust.
5. The exemption is allowable to an occupant who is the beneficiary of a trust even though legal title is held in trust by a third party.
6. A spouse, inheriting and occupying property as his/her principal place of residence may receive the exemption even though the property is in probate.
7. The exemption is not automatically extended to a joint tenant who is not a widow or widower. A new exemption claim must be filed by the survivor.
8. A person holding a power of attorney may execute the exemption claim form for a qualified owner-occupant.
9. The conservator or guardian of a qualified owner-occupant may execute the exemption claim where the owner-occupant is a minor or an incompetent. LTA 3/23/82 (No. 82/50).

505.0050 Executor. The exemption may be claimed by the executor of an estate when the deceased owned and occupied his dwelling on March 1 of the year for which exemption is claimed. It is immaterial whether the dwelling is presently occupied or that the dwelling was willed to a specified individual. C 2/10/69; LTA 3/23/82 (No. 82/50).

505.0055 Failure to File. The homeowner has the ultimate responsibility to file the claim for exemption. Failure to receive the claim form shall not excuse a homeowner from timely filing of a claim. C 5/31/78; C 9/18/78.

505.0060 Failure to Mail Claim. If a claim for exemption was not mailed to a person acquiring and recording title as required by Revenue and Taxation Code section 255.3, mailing and receipt of the tax bill disclosing that no exemption has been allowed satisfies the notice requirement of section 255.3, and the homeowner may file a claim for exemption on or before December 1 and receive the entire exemption rather than partial exemption. Failure to claim the exemption on or before December 1 results in a waiver of the exemption. C 11/3/82; C 8/15/97.

505.0063 Limited Liability Company. For property tax exemption law purposes, limited liability companies are, like corporations, separate entities. There is no authority for disregarding a limited liability company's separate entity status for purposes of ownership of property and determining eligibility for the homeowners' exemption. Thus, a claim for exemption should not be allowed for property owned by a limited liability company. C 11/27/2001.

505.0065 Mobilehome. A mobilehome owned by its occupant is eligible for the homeowners' exemption if it is otherwise subject to property tax, but the leased land on which it is situated is not, even if the lease is for a period of 83 years. While the execution of a lease for 35 years or more is cause for a reappraisal for change in ownership purposes, a lessee is not an owner for exemption purposes. C 3/6/89.

505.0070 Occupied by the Owner. Property is not "occupied by the owner" for purposes of claiming the exemption if it is rented to another person on the lien date. Property occupied by the owner on the lien date but thereafter rented during a temporary absence can remain eligible for the exemption. C 6/19/78.

505.0072 Personal Lifetime Right of Occupancy. Father and Mother transferred their home to their son but retained the right to continue living in the home. A personal and exclusive lifetime right to occupy the home is equivalent to a life estate if that right provides that the transferors are responsible for mortgage payments, taxes, utilities, maintenance and other

expenses associated with the upkeep of the home. Under such terms, the property remains eligible for the homeowners' exemption. C 5/13/2005.

505.0074 Possessory Interest—Leasehold Estate. Homeowners who sold their residence to a redevelopment agency and immediately leased it back acquired a taxable possessory interest in the residence. As a leasehold estate, the homeowners' interest in the property is not eligible for the exemption. C 3/10/98.

505.0075 Possessory Interest Life Estate. The exemption is allowable to an occupant of property owning a life estate interest in public tax-exempt property. C 8/15/80.

505.0078 Principal Residence. Whether a dwelling located in California is a person's principal place of residence is a question of fact. To qualify for the exemption, a dwelling must be the person's true, fixed and permanent home and principal establishment to which he/she, whenever absent, intends to return. In-state presence, vehicle registration, voter registration, bank accounts, and state income tax filings are among the matters to be considered in determining residency, which, for exemption purposes, is equivalent to domicile. C 11/20/84.

505.0080 Probate Homestead. The exemption is allowable to an occupant of property pursuant to an order of probate homestead, which conveys the exclusive use, possession, and enjoyment of the property much the same as an estate for life. C 6/18/82.

505.0085 Property Encumbered by a Trust. The exemption is available for property encumbered by a trust agreement where:

1. A deed absolute on its face is subject to an unrecorded trust agreement between a grantor and a grantee which grants a life estate and a right of revocation in the grantor; or
2. The trustor has created a revocable living trust and presently occupies the dwelling; or
3. The trustor has created an irrevocable trust and presently occupies the dwelling; or
4. The property is occupied by a beneficiary of the trust even though legal title may be held in trust by a bank. C 4/21/78.

505.0090 Rented Mobilehome on Owned Land. The exemption is not available to a person occupying a rented mobilehome on land he owns and with respect to which mobilehome he has claimed a renter's credit. C 6/16/78.

505.0095 Restoration of Exemption. An exemption terminated in error may be restored to the roll and the homeowner may claim a refund and obtain a reduction in taxes as the result of the restoration of the exemption where:

1. A valid exemption claim has been on file;
2. There has been no further verification upon receipt of a returned Advice of Termination notice;
3. The homeowner has not cancelled the exemption; and
4. The homeowner can establish his eligibility for exemption for the year or years in question. C 5/30/78; C 11/3/78.

505.0098 Roll Correction. Revenue and Taxation Code section 4831 permits corrections of a clerical or formal nature so that the roll actually reflects the intent of the assessor when compiling it. The section cannot be used to allow a homeowners' exemption where the

assessor failed to mail a claim form to the homeowner and the homeowner did not file a claim for the exemption. C 8/15/97.

505.0100 Social Security Numbers. Although federal law prohibits any state or local governmental entity from denying to any person any right, benefit, or privilege provided by law because of such person's refusal to disclose his or her social security number (5 U.S.C. section 552a), it permits states and local governmental entities to continue to require such information if they had previously maintained a system of records employing the numbers pursuant to a statute or regulation adopted prior to December 31, 1974. Record systems maintained by counties for verifying the eligibilities of claimants for the exemption under Revenue and Taxation Code section 218.5 and Property Tax Rule 135 are within this exception, and assessors may continue to require disclosure of social security numbers in conjunction with claims for the exemption. LTA 2/25/75 (No. 75/33).

505.0101 Social Security Numbers. Failure to disclose social security numbers in conjunction with a claim for exemption will result in disallowance of the exemption. C 4/17/78; C 11/14/78.

505.0105 Temporary Absence.

1. A temporary absence from one's principal residence does not disqualify one for the exemption so long as the property is not leased or rented on the lien date. An absence of more than one year would raise considerable doubt that a residence is a principal residence.
2. Hospitalization in a convalescent home does not disqualify one for the exemption if the claimant expects to return to the dwelling and the property is not leased or rented.
3. An absence for training or employment or a temporary exchange of dwellings with no rentals paid does not disqualify one for the exemption. LTA 3/23/82 (No. 82/50).

505.0110 Trailer Coach. The exemption applies to a trailer coach and parcel on which it is located if owner-occupied on the lien date and listed on the assessment roll, and to appurtenant structures, e.g., cabana, storage shed, etc., owned by the trailer coach owner. Where a person resides in a licensed trailer coach on his own land, the exemption applies only to the parcel on which the trailer coach is located. LTA 3/23/82 (No. 82/50).

505.0115 Transferability. The exemption is not transferable from one property owned and occupied by the claimant on the lien date to another property to which the claimant has subsequently moved. LTA 3/23/82 (No. 82/50).

505.0120 Trust. A dwelling placed in trust by a husband and wife, the husband being the trustee and the wife the trust beneficiary, and occupied on the lien date as their principal residence, is eligible for the exemption.

A dwelling placed in trust, a bank being the trustee under an inter vivos or testamentary trust, and occupied by the trust beneficiary on the lien date as his principal residence, is eligible for the exemption. The bank, on behalf of the trust beneficiary, could claim the exemption.

A life beneficiary under a trust instrument is eligible for the exemption, if the beneficiary is occupying the dwelling on the lien date as his principal residence. C 2/10/69; C 10/23/70; LTA 3/23/82 (No. 82/50).

505.0130 Types of Property. An owner-occupant of any of the following types of property may qualify for the exemption with respect to that portion of the property occupied:

1. A rooming house.

2. A duplex. If owned by a two-member partnership where each side is a principal residence, each side would qualify.
3. A multiple-family residential property.
4. A motel.
5. An apartment in a structure owned by nonprofit corporation or cooperative housing corporation. LTA 3/23/82 (No. 82/50).

[505.0135](#) **Under Construction.** The exemption should not be allowed on a dwelling under construction if the owner lives elsewhere and plans to move into it when completed. However, if the owner actually occupies the dwelling as his principal place of residence, he may receive the exemption. If the owner does not occupy the dwelling under construction but lives in a trailer coach or other abode on the property, no part of the exemption may be applied to the dwelling under construction. The exemption may be applied to the abode or to the land on which the abode is located. If the owner is occupying an existing dwelling and is remodeling or adding to it, the exemption should be allowed on the assessed value of the entire property. LTA 3/23/82 (No. 82/50).

[505.0140](#) **Vessel.** While Revenue and Taxation Code section 218 permits the application of the homeowners' exemption to personal property, there is nothing in its language to indicate that a vessel qualified for the documented vessel exemption contained in Revenue and Taxation Code section 227 may qualify for both exemptions at the same time. The vessel owner must elect and properly claim one of the exemptions. C 4/18/77.