



INFORMATION SHEET

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PROPERTY TAX SAVINGS: TRANSFER OF PROPERTY TAX BASE TO REPLACEMENT PROPERTY – DISABLED PERSONS

Occurring On or Before March 31, 2021

The State Board of Equalization Taxpayers' Rights Advocate Office is committed to helping California taxpayers understand property tax laws, and be aware of exclusions and exemptions available to them.



Transfer of Property Tax Base to Replacement Property – Disabled Persons

Did you know that there is an exclusion from reassessment for persons that are severely and permanently disabled when they sell their principal residence (home), and buy or build another home?

Revenue and Taxation Code section 69.5 allows persons that are severely and permanently disabled to transfer the base year value of their principal residence to a replacement residence located in the same county or, in some cases, another California county.

The base year value transfer under Proposition 110 is available for the replacement of a principal residence under the following circumstances:

- Base year value transfers within the same county are intracounty transfers.
- Base year value transfers from one county to another are intercounty transfers. However, an intercounty transfer can only take place if the county where the replacement property is located has an ordinance in place allowing for transfer of a base year value from another county.
- The base year value transfer for disabled persons is commonly referred to as Proposition 110, which was approved by California voters in 1990, and is effective through March 31, 2021. For transfers that occur on or after April 1, 2021, under Proposition 19, see [Publication 800-4](#) Information Sheet, *Property Tax Savings: Transfer of Property Tax Base to Replacement Property – Disabled Persons*.

The base year value transfer under Proposition 110 is available for the replacement of a principal residence under the following circumstances:

- A person and/or their spouse who is severely and permanently disabled sells their home, which was their principal residence (referred to as the original property), and purchases a replacement residence or builds a new residence (referred to as the replacement property) within two years of the sale of the original property, and;

- The market value of the replacement property must be of “equal or lesser value” than the original property that was sold. “Equal or lesser value” means 100 percent or less than the original property’s market value if the replacement property is purchased before the sale of the original property. But, if the replacement property is purchased or newly constructed within the first year after the sale of the original property, then the replacement property’s market value can be up to 105 percent of the original property’s market value. And, if the replacement property is purchased or newly constructed within the second year after the sale of the original property, then the replacement property’s market value can be up to 110 percent of the original property’s market value.
- The original property and replacement property are located in the same county; or if the replacement property is located in another county, the county must have an ordinance accepting a base year value transfer from another county.

Potential for Tax Savings

Property taxes are based on the assessed value of your property. For purposes of property tax assessment in the state of California, real property is assessed at market value when purchased or new construction is complete. As a result of purchasing a different home or building a new home, the assessed value of a person’s principal residence and associated property taxes can sometimes increase significantly.

If the original property’s assessed value is less than its current market value, savings will result from transferring the base year value of the original property to the replacement property under section 69.5.

If the base year value transfer is granted, the current assessed value on the original property (assuming that was its factored base year value) will become the base year value of your replacement property (and basis of the property’s assessed value) instead of the replacement property’s market value at time of purchase or completion of construction. For example, if



the original property was purchased in 1985 and its assessed value at the time of the sale in 2019 was \$175,000, and the market value of the replacement property is \$395,000, then the taxes will be less on the replacement property because the assessed value would be \$220,000 less than its market value. This would save over \$2,200 in property taxes per year.



How to Apply for the Base Year Value Transfer

Complete form BOE-62, *Disabled Persons Claim for Transfer of Base Year Value to Replacement Dwelling*, and complete form BOE-62-A, *Certificate of Disability*.

Obtain both forms from the County Assessor's Office where the replacement property is located. Submit the completed forms to the same office.



When to File Your Claim

To qualify for this base year value transfer, the claim form must be filed with the County Assessor:

- Within three years of the date you purchased or completed construction on the replacement property.

Relief is still available after three years; however, it will only be granted starting with the year in which your claim form was filed.



Helpful Hints

- The original property must be your principal place of residence at the time of its sale; it cannot be your vacation home.
- The replacement property can be purchased within two years of, either before or after, the sale of the original property.
- You or your spouse living in the home must be severely and permanently disabled when you sell your original property. "Severely and permanently disabled" for purposes of the base year value transfer is defined by Revenue and Taxation Code section 74.3 as: "any person who has a physical disability or impairment, whether from birth or by reason of accident or disease, that results in a functional limitation as to employment or substantially limits one or more major life activities of that person, and that has been diagnosed as permanently affecting the person's ability to function, including, but not limited to, any disability or impairment that affects sight, speech, hearing, or the use of any limbs."

- You or your spouse must have a severe and permanent physical disability that requires you to move to a new residence to meet the needs of the disability.
- It is a one-time benefit; you can't transfer the base year value to a replacement property to accommodate the needs of a disability and then later request another base year value transfer to a different property.
- If you or your spouse previously received a base year value transfer for being age 55 or older, you are allowed to later transfer the base year value to a replacement property to accommodate the needs of a disability, as long as you or your spouse became severely and permanently disabled after moving to the replacement property to which you were previously granted relief.
- There is no age requirement to receive the benefit of a base year value transfer to your replacement property if you or your spouse are severely and permanently disabled. However, if you receive the benefit before the age of 55, you are not allowed to later transfer your base year value to another property once you or your spouse are age 55 or older.
- You can't receive the benefit of transferring your base year value to your replacement property under section 69.5 as a severely and permanently disabled person if you transfer your original property to your child and file a claim for parent/child exclusion under section 63.1. The original property must be sold for consideration and subject to reappraisal at its market value at the time of sale.
- Not all 58 California counties accept a base year value transfer from another county; an ordinance must be in place enabling the intercounty base year value transfer.
- You can't transfer the base year value to the replacement property until after the existing property is sold.

Where to Find Additional Information

Visit the State Board of Equalization's website at www.boe.ca.gov for property tax information. Answers to frequently asked questions for the base year value transfer exclusion for disabled persons can be accessed at www.boe.ca.gov/proptaxes/faqs/propositions110.htm.

Visit the County Assessor's website where the replacement property is located. Contact information for the 58 California County Assessors' Offices can be found on the State Board of Equalization's website at www.boe.ca.gov/proptaxes/countycontacts.htm.

