



INFORMATION SHEET

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PROPERTY TAX SAVINGS: TRANSFER OF PROPERTY TAX BASE TO REPLACEMENT PROPERTY – AGE 55 AND OLDER

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 – Age 55 and Older

Did you know that there is an exclusion from reassessment for persons age 55 and older when they sell their home, which is their principal residence, and replace it with another?

Revenue and Taxation Code section 69.5 allows persons age 55 and older to transfer the base year value of their current principal residence to a replacement dwelling located in the same county or in some cases another California county.

- Base year value transfers within the same county are intracounty transfers. The exclusion for intracounty transfers, commonly referred to as Proposition 60, was approved by California voters in 1986, and is effective through March 31, 2021. For transfers that occur on or after April 1, 2021, under Proposition 19, see [Publication 800-3 Information Sheet, Property Tax Savings: Transfer of Property Tax Base to Replacement Property – Age 55 and Older](#).
- Base year value transfers from one county to another are intercounty transfers. The exclusion for intercounty transfers, commonly referred to as Proposition 90, was approved by California voters in 1988 and was effective through March 31, 2021. For transfers that occur on or after April 1, 2021, under Proposition 19, see [Publication 800-3 Information Sheet, Property Tax Savings: Transfer of Property Tax Base to Replacement Property – Age 55 and Older](#). However, for intercounty transfers, the county must have an ordinance in place allowing for transfer of a base year value from another county.

The base year value transfer under Propositions 60/90 is available for the replacement of a principal residence under the following circumstances:

- A person who is 55 or older 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. This 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. It also means that the replacement property’s market value can be up to 105 percent of the original property’s market value if the replacement property is purchased or newly constructed within the first year after the sale of the original property; and up to 110 percent if the replacement is purchased or newly constructed within the second year after the sale of the original property.
- The original property and replacement property are located in the same county; or if the replacement property is in another county, the county where the replacement property is located has 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 one, 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 will become the assessed value on the replacement property. For example, if the original property was purchased in 1990 and its assessed value at the time of the sale in 2019 was \$200,000; and the market value of the replacement property is \$375,000, then the taxes will be less on the replacement property because the assessed value is \$175,000 less than its market value. This would save over \$1,750 in property taxes per year.



How to Apply for the Base Year Transfer Exclusion

Complete form [BOE-60-AH](#), *Claim of Persons at Least 55 Years of Age for Transfer of Base Year Value to Replacement Dwelling*.

Obtain the claim form from your County Assessor's Office where the replacement property is located. Submit the completed form 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 beginning with the year 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 must be age 55 or older when you sell your original property; but you can be under 55 when you purchase the replacement property.
- If you are married, only one of you need to be age 55 or older to benefit from this exclusion.
- It is a one-time benefit; you can't transfer the base year value to a replacement property and later transfer it to another replacement property.
- Although the base year value transfer exclusion for age 55 or older is a one time benefit, the law allows you to receive another base year value transfer if you or your spouse become severely and permanently disabled. Refer to [Publication 800-4](#) for the Taxpayers' Rights Advocate Office Information Sheet discussing a base year value transfer for disabled persons.
- You can't receive the benefit of transferring your base year value to your replacement property under section 69.5 if you transfer your original property to your child and file a claim for parent to 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.

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 persons age 55 or older can be accessed at www.boe.ca.gov/proptaxes/prop60-90_55over.htm.

Visit the County Assessor's website where the replacement property is located. The State Board of Equalization's website has contact information for each Assessor in California. This listing is available at www.boe.ca.gov/proptaxes/countycontacts.htm.

