

Base Year Value Transfer

Effective April 1, 2021, California Proposition 19 allows any person who is at least 55 years of age, any severely disabled person, or any victim of a wildfire or natural disaster, to transfer the base year value from their original principal residence to a replacement property anywhere in California. This exclusion could result in significant property tax savings.

- The sale of the original residence or the purchase or new construction of the replacement property must occur on or after April 1, 2021.
- The claimant must be at least 55 years of age or severely disabled on the date the original property sold, or must have been the victim of a wildfire or natural disaster.
 - A claimant who is at least 55 years of age must submit proof of age.
 - A claimant who is severely disabled must submit a Certificate of Disability claim signed by their physician. In addition, the move must be to accommodate or alleviate the disability.
- The original property:
 - Must have been owned and occupied as the claimant's principal residence, and must be sold before a claim is filed.
 - Must be subject to reappraisal at its current fair market value at the time of sale, *unless*:
 - The buyer(s) of the original property qualify the property as a replacement property for a base year value transfer due to disaster relief.
 - The buyer(s) of the original property qualify the property as a replacement property for a base year value transfer for someone at least 55 years of age or a severely disabled person.
- The replacement property:
 - Must be the claimant's principal residence when the claim is filed, and they must be eligible for the homeowners' exemption or the disabled veterans' exemption.
 - Must be purchased or newly constructed within two years of the sale of the original property.
- The market value of the replacement residence may be more than the market value of the original property. However, if the full cash value of the replacement home is greater than the full cash value of the original home, the difference in full cash value is added to the transferred factored base year value.

Example 1:

1. The original property had a factored base year value of \$100,000, and sells for \$400,000.
2. The replacement residence is purchased for \$390,000.
3. As the replacement residence has a value *less* than the value of the original residence, the base year value of \$100,000 is transferred to the replacement residence.

Example 2:

1. The original property had a factored base year value of \$100,000, and sells for \$400,000.
2. The replacement residence is purchased for \$600,000.
3. As the replacement residence has a value of \$200,000 *more* than the value of the original residence, the difference is added to the \$100,000 transferred base year value from the original residence. This makes the base year value of the replacement residence \$300,000 (\$100,000 + \$200,000).

- A qualifying claimant must submit a completed application within 3 years of the date the replacement residence was purchased or newly constructed to receive retroactive relief. However, a claim filed after 3 years may still be eligible for prospective relief.
- A claimant may transfer their base year value up to three (3) times.

To apply for this exclusion, please complete and return form [BOE-19-B](#) (55 or older), [BOE-19-D](#) and [BOE-19-DC](#) (severely disabled), or [BOE-19-V](#) (wildfire or disaster victim).