



PROPOSITION 19

FACT SHEET

On November 3, 2020, California voters approved [Proposition 19](#) and its implementing legislation, [Senate Bill 539](#) was enacted on September 30, 2021, providing for intergenerational exclusions and base year value transfers that can result in property tax savings for taxpayers.

INTERGENERATIONAL TRANSFER EXCLUSION (California Constitution Article XIII A, section 2.1(c), (d) and (e); Revenue and Taxation Code section 63.2)

For Transfers Between Parents and Children – Operative February 16, 2021

Allows transfers of a family home or family farm between parents and their children without causing a change in ownership for property tax purposes. It is an exclusion from change in ownership. Allows transferee to retain the taxable value of the transferor. "Taxable value" means the base year value plus inflationary adjustments, commonly referred to as the factored base year value. (Note: In cases where the transferor died, the date of death is considered the date of transfer.)

Applies to a purchase or transfer of a family home between parents and their children if the property continues as the family home of the transferee. The transferee must live in the home as their primary residence within one year of transfer and file for the homeowners' or disabled veterans' exemption within one year of transfer to qualify for the exclusion.

- For a family farm, defined as real property under cultivation or which is being used for pasture or grazing or that is used to produce any agricultural commodity as used in Government Code section [51201](#), there is no requirement that the family farm contain a home that the transferee lives in to qualify.
- There is a limit to the value that can be excluded for a family home or each legal parcel of a family farm. The value limit is equal to the property's taxable value (factored base year value) at time of transfer plus \$1 million. If the market value exceeds this limit, the difference is added to the taxable value. (Note: The \$1 million allowance will be adjusted annually by the State Board of Equalization (BOE) beginning in 2023.)

How to Apply

Submit form **BOE-19-P**, *Claim for Reassessment Exclusion for Transfer Between Parent and Child Occurring On or After February 16, 2021*, to the County Assessor where the property is located. Application must be filed within three years of the date of the transfer date, but before transferring the property to a third party. (Before form **BOE-19-P** is filed, the transferee must file for the homeowners' or disabled veterans' exemption within one year of the transfer date by filing either forms **BOE-266** or **BOE-261-G**.)

For additional information, refer to: [Letter To Assessors No. 2022/012](#).

For Transfers Between Grandparents and Grandchildren – Operative February 16, 2021

Allows transfers of a family home or family farm between grandparents and their grandchildren under limited conditions without causing a change in ownership for property tax purposes. It is an exclusion from change in ownership. The same conditions and requirements as the exclusion for transfers between parents and children apply, except in order to qualify, the parents of the grandchild, who qualify as children of the grandparents, must be deceased.

How to Apply

Submit form **BOE-19-G**, *Claim for Reassessment Exclusion for Transfer Between Grandparent and Grandchild Occurring On or After February 16, 2021*, to the County Assessor where the property is located. The filing period is the same as form **BOE-19-P**; see above for transfers between parents and children.

For additional information, refer to: [Letter To Assessors No. 2022/12](#).

Proposition 19 Value Limit Test for Intergenerational Transfer Exclusion

Example:

At the time of the transfer, a single-family primary residence has a taxable value or factored base year value (FBYV) of \$300,000 and a fair market value of \$1,500,000.

1. Calculate the sum of the FBYV plus \$1 million:

\$300,000 FBYV/Taxable	+	\$1,000,000 Prop. 19 Allowance	=	\$1,300,000 Excluded Amount
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If the home had a market value equal to or less than \$1,300,000, the child would not have to pay additional property taxes.

2. Since the fair market value is greater than the excluded amount, calculate the difference between the fair market value and the excluded amount:

\$1,500,000 Fair Market Value	-	\$1,300,000 Excluded Amount	=	\$200,000 Difference
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3. Thus, the adjusted base year value is \$500,000.

\$300,000 FBYV/Taxable	+	\$200,000 Difference	=	\$500,000 New Taxable Value
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BASE YEAR VALUE (TAXABLE VALUE) TRANSFER

(California Constitution Article XIII A, section 2.1(b) and (e); Revenue and Taxation Code section 69.6)

For Seniors and Severely Disabled Persons – Operative April 1, 2021

Allows homeowners who are age 55 or older, or severely and permanently disabled of any age, to transfer the “taxable value” of their principal residence to a replacement property up to three times anywhere in the state. “Taxable value” means the base year value plus inflationary adjustments, commonly referred to as a factored base year value. There is no limit to the market value of the replacement property compared to the original property, but the amount in excess of the original property’s market value is added to the transferred value. The replacement’s market value can exceed the original’s market value up to one hundred and five percent (105%) if the replacement is purchased within the first year after the sale of the original, or one hundred and ten percent (110%) in the second year with no excess added to the transferred taxable value.

To qualify:

- Replacement residence must be purchased or newly constructed within two years of the sale of the original property.
- Claimant must be at least age 55 years or older at the time the original property is sold.
- Both the original and replacement properties must be eligible for the homeowners’ or disabled veterans’ exemption. The claimant must own and reside in the original property at the time of its sale or within two years of the purchase or new construction of the replacement.
- Either one or both the sale of the original property or the purchase/completion of new construction of the replacement must occur on or after April 1, 2021.
- The original property must be sold, and the replacement purchased for consideration. Consideration is defined as something of value such as payment of cash, creation or cancellation of debt, or exchange of other property.

How to Apply

If qualifying based on age, submit form **BOE-19-B**, *Claim for Transfer of Base Year Value to Replacement Primary Residence for Persons at Least Age 55 Years*, to the County Assessor where the replacement property is located. If qualifying based on disability, submit both forms **BOE-19-D**, *Claim for Transfer of Base Year Value to Replacement Primary Residence for Severely Disabled Persons*, and **BOE-19-DC**, *Certificate of Disability*, to the County Assessor where the replacement property is located. Application(s) must be filed within three years of the replacement's purchase or construction; and at the time of filing claimant must own and occupy the replacement property as their principal residence.

For additional information, refer to: [Letter To Assessors No. 2022/009](#).

For Disaster Victims – Operative April 1, 2021

Allows victims of a wildfire or natural disaster to transfer the taxable value of their primary residence to a replacement residence anywhere in the state. The conditions and requirements are the same as the taxable value transfer for seniors, except there is no age requirement. However, the original property must have been substantially damaged or destroyed from a wildfire or Governor declared disaster, with over half of the market or improvement value diminished, to be considered "substantially damaged."

How to Apply

Submit form **BOE-19-V**, *Claim for Transfer of Base Year Value to Replacement Primary Residence for Victims of Wildfire or Other Natural Disaster* to the County Assessor where the replacement property is located. Application must be filed within three years of the replacement's purchase or construction; and at the time of filing claimant must own and occupy the replacement property as their principal residence.

For additional information, refer to: [Letter To Assessors No. 2022/009](#).

Examples for Base Year Value Transfers

Example 1

If the market value of the replacement is less than or equal to the market value of the original, then the taxable value (factored base year value) of the original will transfer to the replacement residence with no adjustment.

Original Taxable Value = \$300,000 | Original Market Value = \$900,000 | Replacement Market Value = \$700,000

*Since the market value of the replacement is **\$200,000 less than** the original's market value, the taxable value transferred to the replacement **will remain at \$300,000**.*

Example 2

If the market value of the replacement is more than the market value of the original, then the difference will be added to the transferred value. (This assumes the replacement property is purchased before the original. If the replacement property is purchased after the original, depending on the time period when the replacement was purchased, the amount above five percent (5%) or ten percent (10%) over the original property's market value is added to the transferred base year value.)

Original Taxable Value = \$300,000 | Original Market Value = \$600,000 | Replacement Market Value = \$700,000

*Since the replacement's market value is **\$100,000 more than** the original, the difference in market value is added to the transferred value. Therefore, the taxable value of the replacement **will be \$400,000** (\$300,000 + \$100,000).*

This fact sheet was modified on April 1, 2022. The information is subject to change. Please visit www.boe.ca.gov.

The information presented is intended to provide general and summary information about Proposition 19 and its implementing legislation resulting from the passage of Senate Bill 539. This fact sheet is not intended to be a legal interpretation. It is encouraged that you consult an attorney for advice specific to your situation as to transfers.