

# GUIDE TO PROPOSITIONS 58 & 193

## Propositions 58 & 193<sup>1</sup>

These constitutional initiatives provide property tax relief for real property transfers between parents and children and from grandparents to grandchildren.

Collectively, they make it easier to keep property “in the family.”

In general, Proposition 58 states that real property transfers, from parent to child or child to parent, may be excluded from reassessment. Proposition 193 expands this tax relief to include transfers from grandparent(s) to grandchild(ren). In both cases, a claim must be filed within three years of the date of transfer to receive the full benefit of the exclusion.



### SPECIAL POINTS OF INTEREST:

- ◆ Proposition 58: Transfer between Parent and Child
- ◆ Proposition 193: Transfer between Grandparent and Grandchild

## Requirements and Guidelines for Propositions 58 and 193

1. The principal place of residence must have been granted a Homeowners’ Exemption or Disabled Veterans’ Exemption before the transfer. This residence need not be the new principal residence of the person that acquired the property.
2. No limit is placed on the assessed value of a principal residence that may be excluded from reassessment.
3. In addition to tax relief on the principal residence, you may claim an exclusion on transfers of other real property with an assessed value of up to \$1,000,000.
4. The \$1,000,000 exclusion applies separately to each eligible transferor. A \$2,000,000 limit applies to community real property of an eligible married couple.
5. Transfers by sale, gift, or inheritance qualify for the exclusion.
6. Transfers between parents and children as individuals, from grandparents to grandchildren as individuals, between joint tenants, from trusts to individuals, or from individuals to trusts may qualify for the exclusion.  
  
Transfers from grandchildren to grandparents are not eligible for this tax relief.
7. Transfers of ownership interests in legal entities, aside from most trusts, do not qualify for the exclusion.
8. A claim must be filed within 3 years after the date of purchase or transfer for which the claim is filed or prior to transfer to a third party, whichever is earlier, or within 6 months after the mailing of the notice of supplemental or escape assessment, issued as a result of the transfer for which the claim is filed. Untimely filed claims are subject to certain conditions, i.e., the property must not have transferred or resold to a third party and the claim will only apply to future tax years.
9. If reassessment of your property occurs before the approval and processing of your timely filed claim, the reassessment may be reversed. In these situations, a corrected tax bill and/or a refund will be processed.



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<sup>1</sup> For expanded definitions of Prop. 58 & 193, see Revenue and Taxation (R&T) Code Section 63.1. It is available online at [www.boetaxes.ca.gov/property](http://www.boetaxes.ca.gov/property).

*(Proposition 58) Transfer between Parent and Child Eligibility Requirements*

1. The real property must be owned by the eligible transferor who is either the parent or child.
2. You must be a parent or child. A child may be a son, daughter, son-in-law, daughter-in-law, stepchild, or child adopted before the age of 18.
3. Spouses of eligible children are also eligible until divorce or, if terminated by death, until the remarriage of the surviving spouse, stepparent, or parent-in-law.
4. You must complete a Claim for Reassessment Exclusion for Transfer between Parent and Child form for a gift or purchase of real property between parent and child.

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*(Proposition 193) Transfer from Grandparent to Grandchild Eligibility Requirements*

1. The real property must be owned by the eligible transferor who is the grandparent.
2. You must be a grandchild whose parent(s) qualify as the deceased child(ren) of the grandparents as of the date of transfer, and you must be the decedent's child.
3. You must complete a Claim for Reassessment Exclusion for Transfer from Grandparent to Grandchild form for a gift or purchase of real property from grandparent to grandchild.





## *Frequently Asked Questions*

Q. I recently inherited the family home, but I don't really want to live there. Do I have to make it my principal residence to qualify for the Proposition 58 exclusion?

A. No.

Q. My parents just gave me their house that sits on ten acres of land. Isn't there a limit for excluding the principal residence from reassessment?

A. Yes. Ten acres exceeds the amount of land necessary for a home site. In your case, only a reasonable amount of land would be considered part of the principal residence.

Q. I'm thinking of giving several properties to my children. Can I decide which child gets the exclusion?

A. The person who files first will get the exclusion.

Q. My two sisters and I recently bought several properties from our parents. Which one is entitled to the exclusion?

A. If you jointly own the properties with your sisters, you'll have to decide that for yourselves. On the other hand, if three separate properties were transferred individually, the first eligible person who files a claim will get the exclusion.

“TRANSFERS BY  
SALE, GIFT, OR  
INHERITANCE  
QUALIFY FOR THE  
EXCLUSION”

Q. My grandfather gave me his house and seven commercial properties here in Southern California. How do you decide which properties will get the \$1,000,000 exclusion?

A. Assuming you qualify for the exclusion, you must make that decision.

## *How Do I File for Proposition 58/193 Tax Relief?*

Claim forms are available from several sources. Choose the most convenient for you.

◇ Online: Forms are available at the Assessor's website: [assessor.lacounty.gov](http://assessor.lacounty.gov).

◇ Email: Send us an email at [helpdesk@assessor.lacounty.gov](mailto:helpdesk@assessor.lacounty.gov)

◇ Phone: Call 213.893.1239

Claim forms may also be requested by mail or in person at any of our offices listed in this brochure.

### **What Form Do I Need?**

◇ Claim for Reassessment Exclusion for Transfer Between Parent and Child (OWN-88)



*For More Information:*

You may also contact us for any other general property tax questions, on a 24 hours a day basis, in the following ways:

- ◆ Assessor’s Website: To research comparable sales, verify valuations, download forms, learn how appraisals are made, and more, visit: <http://assessor.lacounty.gov>
- ◆ Assessor’s Email: Send your questions, comments, and suggestions to: [helpdesk@assessor.lacounty.gov](mailto:helpdesk@assessor.lacounty.gov)
- ◆ Los Angeles County Property Tax Website: General information regarding property taxes, including how to read your tax bill and where to find answers to your questions. Visit: <http://www.lacountypropertytax.com>
- ◆ Property Information Hotline: Minimal wait times, averaging less than a minute. Fast transfers to expert staff during normal business hours. Just call toll free 1.888.807.2111.
- ◆ Automated Interactive Voice System: Information on valuations and taxes can be obtained by entering the Assessor Identification Number from a property tax bill.
- ◆ Call 213.974.3838 or the toll free number above.



Si desea ayuda en Espanol, llame al numero 1.888.807.2111



*Valuing People  
and Property*

*Assessor’s Public Service Locations*

**Main Office**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 225  
Los Angeles, CA 90012-2770  
1.888.807.2111

**North District Office**

13800 Balboa Boulevard  
Sylmar, CA 91342  
818.833.6000

**South District Office**

1401 E. Willow Street  
Signal Hill, CA 90755  
562.256.1701

**East District Office**

1190 Durfee Avenue  
South El Monte, CA 91733  
626.258.6001

**West District Office**

6120 Bristol Parkway  
Culver City, CA 90230  
310.665.5300

**Lancaster Regional Office**

251 East Avenue K-6  
Lancaster, CA 93535  
661.940.5700