



# PROPERTY TAX SAVINGS FOR SENIORS

May 2015

**DO YOU KNOW** senior homeowners may transfer their existing property assessed value to their new residence within the same county under Proposition 60?

**Check to see if you are eligible today!**




**PROPOSITION 60 (Prop 60)** is a constitutional amendment passed by California voters in 1986 that allows owners who are 55 years old or older to transfer the assessed value of their existing home (original property) to their new home (replacement property) if both properties are located in the same county.


## PLEASE KEEP IN MIND...

### Prop 60 is a one-time only benefit.

If you have received Prop 60 relief, you and your spouse would not qualify again, even upon divorce or death of a spouse.

↳ Exception: If you become disabled after receiving a Prop 60 relief as a senior, you may apply for an assessed value transfer again due to disability, which involves a different claim through Prop 110

 Individuals who are **Registered Domestic Partners** are not considered spouses for the purposes of Prop 60 and are allowed to file for Prop 60 separately.

 San Francisco **does not accept assessed value transfers from other counties.** For more information on inter-county transfers, please visit the Board of Equalization's website at [www.boe.ca.gov](http://www.boe.ca.gov).

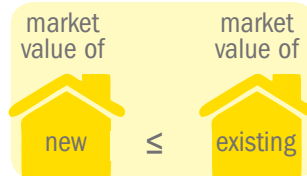
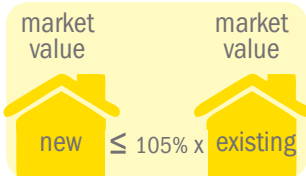

## ELIGIBILITY CHECKLIST


- ✓ You, or a spouse residing with you, must be **55 years old or above** when the original property is sold.
- ✓ Your original property and later, the replacement property must be your **principal residence.**
- ✓ The replacement property must be of "**equal or lesser current market value**" than the original property. (See the back for more information)
- ✓ The replacement property must be purchased or built **within two years of the sale** of the original property.
- ✓ You must **file your claim within three years** following the purchase date or the construction completion date of the replacement property. If you file after the 3-year period, relief cannot be applied retroactively.

## WHAT IS “EQUAL OR LESSER VALUE”?

Under Prop 60, your replacement property must be of equal or lesser current market value than your original property to qualify. However, depending on when you purchase your replacement property, the formula for the eligible purchase price may change. The example below helps clarify.

### PROP 60 “equal or lesser value” formula:

<b>PURCHASE TIME OF THE NEW HOME</b>	On the same date or before the existing home sale date	Within 1 year after the existing home sale date	Within 2 years after the existing home sale date
<b>ELIGIBLE PURCHASE PRICE</b>			

 **Example:** If your existing home (original property) sold at a market value of \$1,000,000 on Jan 1, 2014, then the eligible purchase price for your new home (replacement property) purchased at different times would be:

<b>PURCHASE TIME OF THE NEW HOME</b>	On or before Jan 1, 2014	Jan 2, 2014 - Jan 1, 2015 (within 1 year)	Jan 2, 2015 - Jan 1, 2016 (within 2 years)
<b>ELIGIBLE PURCHASE PRICE</b>	\$1,000,000 or below	\$1,050,000 or below (\$ 1 million x 105%)	\$1,100,000 or below (\$ 1 million x 110%)

## FREQUENTLY ASKED QUESTIONS

**Q1:** How do I apply for Prop 60 senior benefits?

**A1:** Download, complete, and return Form BOE 60 AH to our office in person or by mail. The form can be found on [sfassessor.org](http://sfassessor.org). You can visit our office at City Hall Rm 190 during office hours (Mon-Fri 8am to 5pm) to obtain an application form. If you have any questions, please call 415.701.2311.

**Q2:** If the new home does not satisfy the “equal or lesser value” test, can the owner receive partial benefit?

**A2:** No, unfortunately, State Law requires that the replacement property must satisfy the “equal or less value” test and does not grant partial benefits.

**Q3:** If I make an improvement to my new home after I transferred the old value to it, can I get additional tax relief for the new construction?

**A3:** Maybe. You may be eligible to receive additional tax relief if (1) the construction is completed within two years of the purchase and (2) the value of your new construction plus the market value of your replacement property when purchased does not exceed the market value of the original property. You must notify the assessor in writing within 30 days after completion.

*\*\* Disclaimer: Information on this document is not constructed as legal advice but is designed to inform the public on tax relief opportunities processed by the Office of the Assessor-Recorder. If you have any questions regarding your personal finance, it is recommended that you consult with an attorney or a certified accountant.*