

# GUIDE TO PROPOSITIONS 60 AND 90

## SENIOR CITIZEN'S REPLACEMENT DWELLING BENEFIT

### Propositions 60 and 90<sup>1</sup>



In most cases, these constitutional tax initiatives allow senior citizens to transfer the trended base value from their current home to a replacement property if certain requirements are met. This may result in substantial tax savings.

#### Who Qualifies?

If you or your spouse that resides with you are age 55 or older, you may buy or construct a new home of equal or lesser value than your existing home and transfer the trended base value to your new property.

This is a one-time only benefit. You must buy or complete construction of your replacement home within two years of the sale of the original property. Both the original home and the new home must be your principal place of residence. A claim must be filed within three years of purchasing or completing new construction of the replacement property. If a claim is filed after the three-year period, relief will be granted beginning with the calendar year in which the claim was filed.

Once you have filed and received this tax relief, neither you nor your spouse who resides with you can ever file again.



#### *Eligibility Requirements:*

1. The replacement property must be your principal residence and must be eligible for the Homeowners' Exemption or Disabled Veterans' Exemption.
2. The replacement property must be of equal or lesser "current market value" than the original property. The "equal or lesser" test is applied to the entire replacement residence, even if the owner of the original property acquires only a partial interest in the replacement residence. Owners of two qualifying original residences may not combine the values of those properties in order to qualify for a Proposition 60 base-year transfer to a replacement residence of greater value than the more valuable of the two original residences.
3. The replacement property must be purchased or built within two years (before or after) of the sale of the original property.
4. Your original property must have been eligible for the Homeowners' or Disabled Veterans' Exemption.
5. You, or a spouse residing with you, must have been at least 55 years of age when the original property was sold.

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## GUIDE TO PROPOSITIONS 60 AND 90



Q. What is the difference between Proposition 60 and Proposition 90?

A. Proposition 60 relates to transfers within the same county (intra-county). Proposition 90 relates to transfers of base value from one county to another county in California (inter-county).

Q. If I qualify for Proposition 60/90 benefits, do I still need to file for a Homeowners' Exemption on the replacement property?

A. Yes. Homeowners' Exemptions are not granted automatically.

Q. What is the Proposition 60/90 filing deadline?

A. A claim must be filed within three years of purchasing or completing new construction of the replacement property.

If a claim is filed after the three-year period, relief will be granted beginning with the calendar year in which the claim was filed.

Q. My original home is located outside Los Angeles County, but my replacement home is in Los Angeles County. Do I qualify for relief?

A. Yes.

Q. I plan to relocate from Los Angeles County to another county. Do I qualify for relief?

A. You may qualify for relief. Other counties in California have passed ordinances enabling Proposition 90. We recommend that you contact the county to which you wish to move regarding Proposition 90 eligibility.

Q. Do all replacement homes qualify?

A. If you meet all other eligibility requirements, relief is granted for a single family residence, condominium, unit in planned development, cooperative housing, community apartment, manufactured home subject to local real property tax, and living unit within a larger structure consisting of both residential and non-residential accommodations.

Q. If I make an improvement to my replacement home within two years of purchase, can I get additional tax relief for the new construction?

A. Yes, as long as the total amount of your purchase and the new construction does not exceed the market value of the original property at the time of the sale.

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Q. What does “equal or lesser value” of a replacement property mean?

A. The meaning of “equal or lesser value” depends on when you purchase the replacement property.

In general, equal or lesser value means:

- ◇ 100% or less of the market value of the original property if a replacement property was purchased or newly constructed before the sale of the original property, or
- ◇ 105% or less of the market value of the original property if a replacement property was purchased or newly constructed within the first year after the sale of the original property, or
- ◇ • 110% or less of the market value of the original property if a replacement property was purchased or newly constructed within the second year after the sale of the original property.

When making the “equal or lesser value” test, it is important to understand that the market value of a property is not necessarily the same as the sale or purchase price.

The Assessor will determine the market value of each property. In some new developments, the indicated sale price does not include upgrades paid for outside of escrow. The Assessor must consider the value of these upgrades when determining the market value of the property. If the market value of your replacement dwelling exceeds the “equal or lesser value” test, no relief is available. It is “all or nothing” with no partial benefits granted.

Q. Can I give my original home to my son or daughter and still get Proposition 60/90 benefits when I purchase a replacement property?

A. No. An original property must be sold and subject to reappraisal at full market value.

Q. If an original property has multiple owners, can Proposition 60/90 tax relief be split?

A. No. The co-owners must determine between themselves which one will get the benefit. Only one original owner can claim Proposition 60/90 tax relief.

Q. How does the "equal or lesser value" test apply if my original property is a multi-unit dwelling?

A. The "equal or lesser value" test applies to the original single unit that the homeowner calls their principal residence. The market value of the replacement property has to be of "equal or lesser value" to the market value of the original single unit. An example would be one unit of a duplex.



“OTHER COUNTIES  
IN CALIFORNIA  
HAVE PASSED  
ORDINANCES  
ENABLING  
PROPOSITION 90. “



*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*

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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