



STATE BOARD OF EQUALIZATION

TAXPAYERS' RIGHTS ADVOCATE OFFICE

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No. 2025/015

May 22, 2025

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

**TAXPAYERS' RIGHTS ADVOCATE OFFICE
UPDATED INFORMATION SHEETS ON PROPERTY TAX SAVINGS
PROPOSITION 19 – INTERGENERATIONAL TRANSFER EXCLUSION
(REASSESSMENT EXCLUSION BETWEEN PARENTS/CHILDREN AND
GRANDPARENTS/GRANDCHILDREN)**

The State Board of Equalization (BOE) Taxpayers' Rights Advocate Office (TRA Office), under the Morgan Property Taxpayers' Bill of Rights, has an educational role in providing information to taxpayers and to assist County Assessors in their efforts to provide education to taxpayers. The TRA Office is committed to education and outreach to help taxpayers understand property tax laws, and to increase their awareness of property tax savings that may be available to them.

In fulfilling the educational role, the TRA Office has published Information Sheets on Property Tax Savings on available exclusions from reassessment and exemptions as well as other topics, written in simple, non-technical terms designed specifically for taxpayers. Information Sheet publications are periodically updated for changes in laws and rules or agency guidance, or to enhance the information provided.

Upon the passage of Proposition 19, approved by the voters in November 2020, the TRA Office published Information Sheets in June 2022 on intergenerational transfers of property between parents and children (Publication 800-1) and between grandparents and grandchildren (Publication 800-2). These Information Sheets provide information on the requirements of the exclusion, potential tax savings, how to apply for it, when to file the claim, helpful hints, and where to find additional information.

The TRA Office recently updated the following Information Sheets:

- Publication 800-1, Information Sheet, *Property Tax Savings: Transfers Between Parents and Children*
- Publication 800-2, Information Sheet, *Property Tax Savings: Transfers Between Grandparents and Grandchildren*

Updates were made to further assist taxpayers in understanding the requirements of the intergenerational exclusion under Revenue and Taxation Code section 63.2 and potential for tax savings, reflecting the following:

- Provide specific information about the value cap amount upon the transfer or sale of a family home to a qualified transferee, which is the sum of the property's factored base year value plus \$1 million, as adjusted every other year for inflation. Identified the amount that the \$1 million is adjusted to as calculated and published by the State Board of Equalization (BOE) which County Assessors use in determining the amount of exclusion. As of February 2025, the \$1 million amount is adjusted to \$1,044,586.
- Explain that pursuant to Property Tax Rule 462.520, if the transferee does not file the homeowners' exemption or disabled veterans' exemption on the residence within one year of the transfer, the exclusion is available beginning in the year the claim is filed (prospective relief) – not as of the date of transfer.
- Expand upon the requirement that the transferee must move into the family home within one year of the date of transfer or change in ownership to be eligible for the exclusion and that no exceptions to this requirement are available. Additionally, it identifies the date of transfer or change in ownership for property tax purposes for sold or gifted property versus inherited property.
- Further explain what the new taxable value of the property will be if a transferee moves out of the family home, such that as of the move-out date, the taxable value will be its market value as of the date the transferee obtained ownership, adjusted each year thereafter for inflation.

Enclosed are the updated versions of Information Sheet Publications 800-1 and 800-2. They are available on the BOE's website and can be accessed through the Taxpayers' Rights Advocate webpage at www.boe.ca.gov/tra, under the selection for Taxpayer Education, or directly at www.boe.ca.gov/tra/infosheets.htm.

Information regarding the Taxpayers' Rights Advocate Office, including contact information, can also be found at www.boe.ca.gov.

Sincerely,

/s/ Lisa Thompson

Lisa Thompson
Chief, Taxpayers' Rights Advocate Office

LT:mw
Enclosures



INFORMATION SHEET

www.boe.ca.gov/tra

PROPERTY TAX SAVINGS: TRANSFERS BETWEEN PARENTS AND CHILDREN

The State Board of Equalization Taxpayers' Rights Advocate Office is committed to helping California taxpayers understand property tax laws, and be aware of exclusions and exemptions available to them.



Transfers of Property Between Parents and Children

Did you know that parents can transfer their home (or family farm) to their children without having the property reassessed to its market value and avoid paying higher property taxes?

In November 2020, California voters approved [Proposition 19](#), which, among other things, provided what is known as an “intergenerational transfer exclusion” that allows the taxable value of a property to remain the same for the person receiving the property (the transferee) as that of the person transferring the property (the transferor), *provided certain conditions are met*. “Taxable value” means the property’s base year value plus inflationary adjustments, commonly referred to as the factored base year value.

Normally, when there is a change in ownership, the property is reassessed at market value, which can significantly increase its assessed value and the amount of property taxes owed. This exclusion prevents a family home (or family farm) from being reassessed and avoids a possible large increase in property taxes.

[Revenue and Taxation Code \(R&TC\) section 63.2](#), which implements the intergenerational exclusion provisions of Proposition 19, allows the family home or family farm to be transferred between parents and children without reassessment, with some market value limitations. The exclusion applies to such property transfers on or after February 16, 2021. (For real property transfers that occurred before February 16, 2021, see [Publication 800-1a](#) Information Sheet, *Property Tax Savings: Transfers Between Parents and Children Occurring On or Before February 15, 2021*.)

Note: Proposition 19 allows transfers in either direction—from parents to child(ren) or from child(ren) to parents.

The exclusion is available only under the following conditions:

- The family home must have been the principal residence of the transferor (for example, parent).
- The transferee (for example, child) must live in the home as their primary residence within one year of the transfer and must continue to occupy the family home.
- The transferee (for example, child) must file for the homeowners’ or disabled veterans’ exemption on the residence **within one year of the transfer to receive the intergenerational exclusion as of the date of transfer**. If the exemption claim is filed after one year, the exclusion is available beginning in the year the claim is filed, as clarified by Property Tax Rule 462.520. If the property was transferred to two or more children, and one moves out and another moves in, a new claim must be filed within one year of the previous child’s move-out date.
- A family farm must be under cultivation or being used for pasture or grazing, or to produce any agricultural commodity (plant and animal products produced for commercial purposes); there is no requirement that a family home be on the property.

The parent-child exclusion is available on transfers from a parent or parents to their:

- Biological or adopted child
- Stepchild
- In-law child (for example, daughter-in-law)
- Foster child, in limited cases

Note: Can also be from child to parent.



Potential for Tax Savings

Property taxes are based on the assessed value of your property. For purposes of California property taxation, real property is reassessed at market value when sold or transferred.

As a result of a sale or transfer, the property's assessed value can sometimes increase significantly, resulting in higher property taxes due each year.

If the market value of the property at the time of the transfer or sale is more than the property's factored base year value, then receiving the parent-child transfer exclusion will result in savings for the transferee (for example, child) because the property taxes would be based on the lower value.

If the exclusion is granted, the parents' factored base year value as of the date of transfer will be the same for the child, as long as the property's current market value does not exceed the factored base year value plus \$1 million, as adjusted every other year by an inflation factor. (The State Board of Equalization calculates this adjustment and publishes the amount that the \$1 million amount is adjusted to for a specific period of time.) For transfer or change in ownership dates from February 16, 2021, through February 15, 2023, the amount is \$1,000,000; from February 16, 2023, through February 15, 2025, the adjusted amount is \$1,022,600; and from February 16, 2025, through February 15, 2027, the adjusted amount is \$1,044,586. Refer to [LTA 2025/009](#). If the market value exceeds this limit, the difference is added to the factored base year value, resulting in a new taxable value for the transferee's property. For ease, the following examples use the initial \$1 million allowance when Proposition 19 became effective February 16, 2021.

Example 1: The parents purchased a family home in 1985, and its factored base year value at the time of the transfer to their child was \$300,000, while its current market value was \$750,000. Since the current market value of the property is less than the factored base year value *plus* \$1 million, ($\$300,000 + \$1,000,000 = \$1,300,000$), the factored base year value of the family home will remain at \$300,000 and the child will be paying property taxes based on that value, which is \$450,000 less than its \$750,000 market value. As a result, the parent-child exclusion will save the child

approximately \$4,500 in property taxes per year, given the one percent statewide tax rate.

Example 2: The parents purchased a family home in 1985, and its factored base year value at the time of the transfer to their child was \$300,000, while its current market value was \$1,500,000. Since the current market value of the property is more than the factored base year value *plus* \$1 million ($\$300,000 + \$1,000,000 = \$1,300,000$), the difference of \$200,000 ($\$1,500,000$ market value - $\$1,300,000$ allowable transferable value) will be added to the parents' factored base year value resulting in a new taxable value of \$500,000 ($\$200,000$ difference + $\$300,000$ factored base year value).

The new taxable value is \$1,000,000 less than its \$1,500,000 market value; therefore, the parent-child exclusion will save the child approximately \$10,000 in property taxes per year, given the one percent statewide tax rate.

How to Apply for the Parent-Child Exclusion

Complete form [BOE-19-P](#), *Claim for Reassessment Exclusion for Transfer Between Parent and Child Occurring On or After February 16, 2021*. Obtain the claim form from the County Assessor's office where the property is located. Submit the completed form to the same office.

When to File Your Claim

To qualify for relief *from the date of transfer*, the claim must be filed with the County Assessor within three years of the transfer date, but before transferring the property to a third party. However, a claim is also considered to be timely filed if filed within six months after the date of mailing of the County Assessor's supplemental or escape assessment notice issued for the transfer.

If you don't file the claim on time, you can still obtain relief as long as you still own the property. However, the reduction in property taxes will only be applied for future years, beginning with the year that the claim is filed.

Note: If the property is a family home, a BOE-19-P claim cannot be filed before filing a claim for the homeowners' exemption or disabled veterans' exemption. Remember, you must file for one of these exemptions within one year of the date of transfer.





Helpful Hints

- To qualify for the exclusion, the transferee must move into the home within one year of the date of transfer or change in ownership (for sold or gifted property, the date of deed recording is presumed to be the date of transfer; for inherited property, the date of death is the date of change in ownership.) If move-in doesn't occur within one year, the property does not qualify for the exclusion.
- To receive the exclusion as of the date of transfer, either the homeowners' exemption or disabled veterans' exemption claim must be filed within one year of the transfer or change in ownership. If the exemption claim is filed after that one-year period, the exclusion begins in the year the claim is filed. While an exemption claim form can be filed after one year, there is no exception to the one-year move-in date requirement to be eligible for the exclusion.
- If the property was inherited as a result of a death, the date of death is considered the date of transfer for property tax purposes, not the date the property was distributed. This includes property held in trust, where the children are the beneficiaries of the trust upon the death of the parent. Keep this in mind to ensure you file the claim form timely.
- There is a value cap (or limit) to the excluded amount, equal to the property's factored base year value at the time of transfer plus \$1 million, as adjusted by the inflation factor. This benefits taxpayers because a higher amount will be excluded from reassessment. Any amount above the value cap is added to the transferred factored base year value.
- A family farm comprised of multiple legal parcels may be eligible for an exclusion for each parcel. The legal parcel containing a family home may qualify separately for the exclusion.
- A transfer of property can occur by purchase or gift; it can also occur through a trust. For example, if a parent's property is put into a trust where upon the death of the parent, the children are the beneficiaries of the trust, a transfer occurs as of the date of death.
- The exclusion applies to a family home that continues as a family home by an eligible transferee or a subsequent eligible transferee. Once it is no longer the family home, such as becoming a rental property, the exclusion is removed. As of the January 1 lien date following the transferee's move-out date, the property will receive a new taxable value, which will be based on the property's market value as of the date the transferee obtained ownership, adjusted each year thereafter for inflation.
- There is no limit to the number of times a family home or a family farm may be transferred under the parent-child exclusion.
- If multiple siblings inherit the family home, only one of the siblings needs to live in it. If that sibling moves out and another sibling moves in within one year of the move-out date, the exclusion will continue. (Note: The other sibling must also file for the homeowners' or disabled veterans' exemption.)
- The exclusion is not available for transfers of property between siblings. For instance, if the parent gave or sold the property to all the siblings first, the parent-child exclusion can apply at that time; however, if a sibling then buys out the other sibling(s), the portion of the property transferred between siblings will be reassessed.
- If you are 55 or older, and selling your principal residence to your child, your child can benefit by transferring your taxable value to them under the parent-child exclusion. However, you cannot also transfer that same taxable value under R&TC section 69.6 (commonly referred to as a base year value transfer) if you buy a replacement property.
- If the market value of the transferred property is less than its factored base year value at the time of the transfer, then claiming the exclusion would not be beneficial.
- The parent-child exclusion under R&TC section 63.2 applies to real property transfers between parents and children; it does not apply to transfers of legal entities. For example, if the parents own ABC Company that owns a family farm, and all of their partnership interests are transferred to a child, the transfer will not qualify for exclusion from reassessment.

*Note: A different exclusion is available under R&TC section 62(r) for the transfer of corporation stock from a parent to child upon the parent's death, where a corporation created between 1975 and 1986 owns property that was the parent's principal residence prior to their death and the child lived in that home from the time the corporation was created. To claim such exclusion, a claimant must file BOE-62-R, *Reassessment Exclusion for Transfer of Corporation Stock from Parent to Child*.*



Where to Find Additional Information

Visit the State Board of Equalization's (BOE) website at www.boe.ca.gov for property tax information. For comprehensive information on Proposition 19, visit www.boe.ca.gov/prop19/. Select the various blue tabs, particularly the "Guidance Issued/Rulemaking" tab and the "Frequently Asked Questions" tab. LTA guidance about the parent/child exclusion is located under the category of "Intergenerational Transfer Exclusion" on the "Guidance Issued/Rulemaking" page. Additionally, see [Property Tax Rule 462.520](#), *Exclusion From Change in Ownership—Intergenerational Transfers*.

Visit the County Assessor's website where the property is located. The BOE's website has contact information for each County Assessor in California, available at www.boe.ca.gov/proptaxes/countycontacts.htm.



INFORMATION SHEET

www.boe.ca.gov/tra

PROPERTY TAX SAVINGS: TRANSFERS BETWEEN GRANDPARENTS AND GRANDCHILDREN

The State Board of Equalization Taxpayers' Rights Advocate Office is committed to helping California taxpayers understand property tax laws, and be aware of exclusions and exemptions available to them.



Transfers of Property Between Grandparents and Grandchildren

Did you know that grandparents can transfer their home (or family farm) to their grandchildren without having the property reassessed to its market value and avoid paying higher property taxes?

In November 2020, California voters approved [Proposition 19](#), which, among other things, provided what is known as an “intergenerational transfer exclusion” that allows the taxable value of a property to remain the same for the person receiving the property (the transferee) as that of the person transferring the property (the transferor), *provided certain conditions are met*. “Taxable value” means the property’s base year value plus inflationary adjustments, commonly referred to as the factored base year value.

Normally, when there is a change in ownership, the property is reassessed at market value, which can significantly increase its assessed value and the amount of property taxes owed. This exclusion prevents a family home (or family farm) from being reassessed and avoids a possible large increase in property taxes.

[Revenue and Taxation Code \(R&TC\) section 63.2](#), which implements the intergenerational exclusion provisions of Proposition 19, allows the family home or family farm to be transferred between grandparents and grandchildren without reassessment, with some market value limitations. The exclusion applies to such property transfers on or after February 16, 2021. (For real property transfers that occurred before February 16, 2021, see [Publication 800-2a](#) Information Sheet, *Property Tax Savings: Transfers from Grandparents to Grandchildren Occurring On or Before February 15, 2021*.)

Note: Proposition 19 allows transfers in either direction—from grandparents to grandchild(ren) or from grandchild(ren) to grandparents.

The exclusion is available only under the following conditions:

- The family home must have been the principal residence of the transferor (for example, grandparent).
- The transferee (for example, grandchild) must live in the home as their primary residence within one year of the transfer and must continue to occupy the family home.
- The transferee (for example, grandchild) must file for the homeowners’ or disabled veterans’ exemption on the residence ***within one year of the transfer to receive the intergenerational exclusion as of the date of transfer***. If the exemption claim is filed after one year, the exclusion is available beginning in the year the claim is filed, as clarified by Property Tax Rule 462.520. If the property was transferred to two or more grandchildren, and one moves out and another moves in, a new claim must be filed within one year of the previous grandchild’s move-out date.
- A family farm must be under cultivation or being used for pasture or grazing, or to produce any agricultural commodity (plant and animal products produced for commercial purposes); there is no requirement that a family home be on the property.

The grandparent-grandchild exclusion is available on transfers between grandparents and their grandchildren as long as:

- The grandchild’s parents are deceased prior to the transfer, or
- The grandparents’ child is deceased, and the surviving in-law parent has remarried prior to the date of transfer.

Note: Grandchild is defined by R&TC section 63.2(e) as a child of the child of the grandparent. A child can be a biological or an adopted child, a stepchild, an in-law child (for example, daughter-in-law), or a foster child, in limited cases.



Potential for Tax Savings

Property taxes are based on the assessed value of your property. For purposes of California property taxation, real property is reassessed at market value when sold or transferred. As a result of a sale or transfer, the property's assessed value can sometimes increase significantly, resulting in higher property taxes due each year.

If the market value of the property at the time of the transfer or sale is more than the property's factored base year value, then receiving the grandparent-grandchild transfer exclusion will result in savings for the transferee (for example, grandchild) because the property taxes would be based on the lower value.

If the exclusion is granted, the grandparents' factored base year value as of the date of transfer will be the same for the grandchild, as long as the property's current market value does not exceed the factored base year value plus \$1 million, as adjusted every other year by an inflation factor. (The State Board of Equalization calculates this adjustment and publishes the amount that the \$1 million amount is adjusted to for a specific period of time.) For transfer or change in ownership dates from February 16, 2021, through February 15, 2023, the amount is \$1,000,000; from February 16, 2023, through February 15, 2025, the adjusted amount is \$1,022,600; and from February 16, 2025, through February 15, 2027, the adjusted amount is \$1,044,586. Refer to [LTA 2025/009](#). If the market value exceeds this limit, the difference is added to the factored base year value, resulting in a new taxable value for the transferee's property. For ease, the following examples use the initial \$1 million allowance when Proposition 19 became effective February 16, 2021.

Example 1: The grandparents purchased a family home in 1980, and its factored base year value at the time of the transfer to their

grandchild was \$150,000, while its current market value was \$650,000. Since the current market value of the property is less than the factored base year value *plus* \$1 million ($\$150,000 + \$1,000,000 = \$1,150,000$), the factored base year value of the family home will remain at \$150,000 and the grandchild will be paying property taxes based on that value, which is \$500,000 less than its \$650,000 market value. As a result, the grandparent-grandchild exclusion will save the grandchild approximately \$5,000 in property taxes per year, given the one percent statewide tax rate.

Example 2: The grandparents purchased a family home in 1980, and its factored base year value at the time of the transfer to their grandchild was \$150,000, while its current market value was \$1,250,000. Since the current market value of the property is more than the factored base year value *plus* \$1 million ($\$150,000 + \$1,000,000 = \$1,150,000$), the difference of \$100,000 ($\$1,250,000$ market value - $\$1,150,000$ allowable transferable value) will be added to the grandparents' factored base year value resulting in a new taxable value of \$250,000 ($\$100,000$ difference + $\$150,000$ factored base year value). The new taxable value is \$1,000,000 less than its \$1,250,000 market value; therefore, the grandparent-grandchild exclusion will save the grandchild approximately \$10,000 in property taxes per year, given the one percent statewide tax rate.

How to Apply for the Grandparent-Grandchild Exclusion

Complete form [BOE-19-G](#), *Claim for Reassessment Exclusion for Transfer Between Grandparent and Grandchild Occurring On or After February 16, 2021*. Obtain the claim form from the County Assessor's office where the property is located. Submit the completed form to the same office.

When to File Your Claim

To qualify for relief *from the date of transfer*, the claim must be filed with the County Assessor within three years of the transfer date, but before transferring the property to a third party. However, a claim is also considered to be timely filed if filed within six months after the date of mailing of the County Assessor's supplemental or escape assessment notice issued for the transfer.



If you don't file the claim on time, you can still obtain relief as long as you still own the property. However, the reduction in property taxes will only be applied for future years, beginning with the year that the claim is filed.

Note: If the property is a family home, a BOE-19-G claim cannot be filed before filing a claim for the homeowners' exemption or disabled veterans' exemption. Remember, you must file for one of these exemptions within one year of the date of transfer.



Helpful Hints

- To qualify for the exclusion, the transferee must move into the home within one year of the date of transfer or change in ownership (for sold or gifted property, the date of deed recording is presumed to be the date of transfer; for inherited property, the date of death is the date of change in ownership.) If move-in doesn't occur within one year, the property does not qualify for the exclusion.
- To receive the exclusion as of the date of transfer, either the homeowners' exemption or disabled veterans' exemption claim must be filed within one year of the transfer or change in ownership. If the exemption claim is filed after that one-year period, the exclusion begins in the year the claim is filed. While an exemption claim form can be filed after one year, there is no exception to the one-year move in date requirement to be eligible for the exclusion.
- If the property was inherited as a result of a death, the date of death is considered the date of transfer for property tax purposes, not the date the property was distributed. This includes property held in trust, where the grandchildren are the beneficiaries of the trust upon the death of the grandparent. Keep this in mind to ensure you file the claim form timely.
- If the property owned by the grandparent is transferred to the grandchild and the grandchild's parents are still living, the property will be reassessed at market value on the date of transfer.
- If the property owned by the grandparent is transferred to the grandchild and the grandchild's parents are deceased, but a stepparent is still living, the property is eligible for exclusion.
- If a grandchild's parents divorced and the only living parent is not the child of the grandparents, then the transfer by the grandparent to the grandchild is eligible for exclusion.
- There is a value cap (or limit) to the excluded amount, equal to the property's factored base year value at the time of transfer plus \$1 million, as adjusted by the inflation factor. This benefits taxpayers because a higher amount will be excluded from reassessment. Any amount above the value cap is added to the transferred factored base year value.
- A family farm comprised of multiple legal parcels may be eligible for an exclusion for each parcel. The legal parcel containing a family home may qualify separately for the exclusion.
- A transfer of property can occur by purchase or gift; it can also occur through a trust. For example, if a grandparent's property is put into a trust where upon the death of the grandparent, the grandchildren are the beneficiaries of the trust, a transfer occurs as of the date of death.
- The exclusion applies to a family home that continues as a family home by an eligible transferee or a subsequent eligible transferee. Once it is no longer the family home, such as becoming a rental property, the exclusion is removed. As of the January 1 lien date following the transferee's move out date, the property will receive a new taxable value, which will be based on the property's market value as of the date the transferee obtained ownership, adjusted each year thereafter for inflation.
- There is no limit to the number of times a family home or a family farm may be transferred under the grandparent-grandchild exclusion.
- If multiple grandchildren inherit the family home, only one of the grandchildren needs to live in it. If that grandchild moves out and another grandchild moves in within one year of the move-out date, the exclusion will continue. (*Note:* The other grandchild must also file for the homeowners' or disabled veterans' exemption.)

- If you are 55 or older, and selling your principal residence to your grandchild, your grandchild can benefit by transferring your taxable value to them under the grandparent-grandchild exclusion. However, you cannot also transfer that same taxable value under section 69.6 (commonly referred to as a base year value transfer) if you buy a replacement property.
- If the market value of the transferred property is less than its factored base year value at the time of the transfer, then claiming the exclusion would not be beneficial.
- The grandparent-grandchild exclusion applies to real property transfers between grandparents and grandchildren; it does not apply to transfers of legal entities. For example, if your grandmother owns ABC Company that owns an office building and she transfers all of her partnership interests to you, her grandson, the transfer will not qualify for exclusion from reassessment.



Where to Find Additional Information

Visit the State Board of Equalization's (BOE) website at www.boe.ca.gov for property tax information. For comprehensive information on Proposition 19, visit www.boe.ca.gov/prop19/. Select the various blue tabs, particularly the "Guidance Issued/Rulemaking" tab and the "Frequently Asked Questions" tab. LTA guidance about the grandparent/grandchild exclusion is located under the category of "Intergenerational Transfer Exclusion" on the "Guidance Issued/Rulemaking" page. Additionally, see [Property Tax Rule 462.520](#), *Exclusion from Change in Ownership—Intergenerational Transfers*.

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