

**COMMENTS ON AMENDMENTS TO PROPERTY TAX RULE 462.520
RECEIVED DURING THE CERTIFICATE OF COMPLIANCE/REGULAR RULEMAKING
INTERESTED PARTIES COMMENT PERIOD**

NO.	SOURCE	COMMENT	SBE STAFF RESPONSE
1	Barbara Edginton San Luis Obispo County	<p><u>Example 6 (page 4)</u>. It currently states: ". Parent transfers 30 percent interest of her 60 percent interest to Child and her remaining 30 percent interest to Niece." Would it not be more accurate to either state this as "Parent transfers half of her 60 percent interest to Child and her remaining 30 percent interest to Niece," or else as "Parent transfers 30 percent interest of her 60 percent interest to Child and her remaining 30 percent interest to Niece." (Currently reads "30% of 60%" which is actually 18%.)</p> <p><u>Example 7-1 (page 5)</u>: The last sentence states in part, "..., the new base year value factored for inflation upon removal of the exclusion is \$883,265..." Using the word new implies it is something different than it was before. In fact, it is the base year value that was established on the date of transfer 5 years before, plus factoring. It is the new taxable value, but not the new base year value.</p> <p><u>Example 7-3 (page 5)</u>: Wouldn't this be a great place to show what the new <i>base year value</i> is in addition to the New Taxable Value?</p> <p><u>Example 8, Part B (Page 6)</u>: I think there is an error in the calculation for Daughter's 30%? It is based on the new base year value established on the date of transfer, which is actually a blended value that includes the parents' original BYV. Shouldn't her base year value be based on \$800,000 factored forward times 30%? (Or else \$240,000 [30% of \$800,000] factored forward? - Sorry, I don't really do the calculation part as a CIO person.] For the parents, the example takes their full original BYV factored forward times 20%, so it seems like it should work the same for daughter.</p> <p>(f)(1)(B) (Page 8): Maybe I am getting my terms confused, but I think this is trying to describe what the New Taxable Value should be for the year the HOX/DVX claim is filed. Instead, it talks about <i>base year value</i>. The base year value will not change when the claim is filed, only the taxable value will change, right? Also, shouldn't it calculate not only the new BYV established on the date of the date of the transfer and any new construction, but also any intervening CIO that has occurred? Possibly both new construction and any CIO's are included in the definition of "full cash value," but new construction is specifically referenced while subsequent CIO's are not. [If so, maybe also add to (f)(4)(B)?]</p> <p><u>Example 11-1 (Page 10)</u>: I am wondering if you might want the last sentence to include "...intergenerational transfer exclusion claim form within three years of the date Son moves out of the property, the property..."</p> <p>In the examples (such as 4-1, 4-2, 5-1, etc.), might it not be helpful to reference both the New Taxable Value <i>and</i> the new base year value? Just so people do not lose sight of the fact there is a different base year value even if the New Taxable Value does not change?</p>	<p>Accepted.</p> <p>Correct as is. Not accepted.</p> <p>Additional examples of calculation of base year values may be considered for inclusion in a future LTA.</p> <p>Accepted.</p> <p>Sentence deleted. It was mistakenly carried over from RTC 63.1 for \$1million of other property which no longer exists in P19.</p> <p>Accepted.</p> <p>Additional examples of calculation of base year values may be considered for inclusion in a future LTA.</p>

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2	Linda Cogburn Sacramento County	<ol style="list-style-type: none"> <li data-bbox="451 178 1570 267">1. That supplemental/non-supplemental requirements be added to examples in the proposed amendment to Tax Rule 462.520, Exclusion from Change in Ownership - Intergenerational Transfers, when full or partial exclusion removal is required. <li data-bbox="451 365 1570 479">2. That a time reference be added to the removal language, in the proposed amendment to Tax Rule 462.520, giving counties direction as to how much time should be allowed after an heir moves out and the county notifies them that the exclusion is going to be removed to when the exclusion is actually removed. 	<p data-bbox="1600 178 1942 324">Additional examples including of supplemental assessments on removal of exclusion may be considered for inclusion in a future LTA.</p> <p data-bbox="1600 365 1955 568">Unclear. No language provided. Subd. (a)(2) states that the exclusion is removed as of the date the property is no longer the principal residence. Further examples may be considered of inclusion in a future LTA.</p>