



# INFORMATION SHEET

[www.boe.ca.gov/tra](http://www.boe.ca.gov/tra)

## PROPERTY TAX SAVINGS: HOMEOWNERS' EXEMPTION

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.



### Homeowners' Exemption

Did you know that property owners in California can receive a Homeowners' Exemption on the home they live in as their principal place of residence?

The Homeowners' Exemption, which allows a \$7,000 exemption from property taxation, is authorized by Article XIII, section 3, subdivision (k) of the California Constitution and implemented by [Revenue and Taxation Code section 218](#). The exemption reduces a dwelling's assessed value on a qualified residence.

To qualify for this exemption, the following conditions must be met:

- You must occupy the dwelling as your principal residence as of January 1 of each year to qualify for the Homeowners' Exemption for that year.
- If you purchase or build a home after January 1, and a Homeowners' Exemption was not granted to the prior owner, you can receive the exemption on the supplemental assessment if you occupy the home within 90 days.
- You must be the property owner, co-owner, or a purchaser named in a contract of sale. You can also be a person who holds shares or membership in a cooperative housing corporation, whereby the share entitles you to live in a specific home.

A *dwelling* is a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. Eligible properties include, but are not limited to a single-family residence, multi-unit residence (such as a duplex), condominium, or unit in a cooperative housing project. Other examples of a dwelling are a houseboat, manufactured home (mobilehome), owned improvements situated on government-owned land and is a taxable possessory interest (such as a cabin situated in a national forest), and land you own in which you live in a state-licensed

trailer or manufactured home.

(Note: A state-licensed trailer or manufactured home is not subject to property taxation; rather, it pays the vehicle license fee, an in-lieu fee, to the Department of Housing and Community Development.)

### Potential for Tax Savings

Property taxes are based on the assessed value of your property. The Homeowners' Exemption reduces your property taxes by deducting \$7,000 from your property's assessed value before applying the tax rate, and given the one percent statewide property tax rate, this generally equates to \$70 in property tax savings. Depending upon the amount of local voter-approved bonds in your area, if any, the overall tax rate could be higher than one percent, which would increase your tax savings. For example, if your overall tax rate is 1.17%, the tax savings would be \$82 ( $\$7,000 \times .0117$ ).

### How to Apply for the Homeowners' Exemption

Complete form [BOE-266](#), *Claim for Homeowners' Property Tax Exemption*. Obtain the claim form from the County Assessor's office where the property is located. Submit the completed form to the same office. Once the exemption has been granted, it remains effective until a change in eligibility occurs, such as selling or moving out of the home. Annual filing is not required.

### When to File Your Claim

The claim may be filed any time after you become eligible, but no later than February 15, to receive the full \$7,000 exemption for the fiscal year, which begins July 1. A claim that is filed after February 15, but on or before December 10 of the same year, will be allowed 80 percent of the exemption (\$5,600). No exemption for the current year can be allowed if filed after December 10.



If you purchase a home or complete its construction after the January 1 lien date and you occupy the home within 90 days, you can file for the exemption on the supplemental assessment if the prior owner did not have the exemption. To receive 100 percent exemption on the supplemental assessment, you must file within 30 days of the date on the Assessor's Notice of Supplemental Assessment. If you miss the 30-day deadline, 80 percent of the exemption will be allowed if a claim is filed on or before the date the first installment of taxes on the supplemental tax bill becomes delinquent (this date is printed on the tax bill). Thereafter, no exemption is available on the supplemental assessment.



## Helpful Hints

- If you are claiming the intergenerational transfer exclusion for transfers of a primary residence between parents and children or grandparents and grandchildren, you must file for the Homeowners' Exemption **within one year** of acquiring the property to qualify for the exclusion as of the date of transfer. (Note: In the case of inheritance, the date of death is considered the date of transfer for property tax purposes, even if the property was held in a trust and remains in the trust after the death. For further information on the intergenerational transfer exclusion, see Publication 800-1, Information Sheet, *Transfers Between Parents and Children*, and Publication 800-2, Information Sheet, *Transfers Between Grandparents and Grandchildren*, which can be accessed at [www.boe.ca.gov/tra/infosheets.htm](http://www.boe.ca.gov/tra/infosheets.htm).)
- The exemption does not apply to property that is rented, vacant, or under construction on the lien date, nor does the exemption apply to a vacation or secondary home of the owner.
- The Homeowners' Exemption or the Disabled Veterans' Exemption is available on a principal residence. If you qualify for the Disabled Veterans' Exemption, it is better to receive the Disabled Veterans' Exemption since the amount is higher. For additional information on the Disabled Veterans' Exemption, see Publication 800-7, Information Sheet, *Disabled Veterans' Exemption*.
- The exemption cannot be granted to a corporation or other legal entity, such as a Limited Liability Company, that holds title to the property, even though the person holds 100 percent interest in the corporation or legal entity. In some cases, a partnership that owns a

home can qualify for the Homeowners' Exemption where one of the partners lives in the property as their principal place of residence if no rent is paid to the other partner and the occupant pays all expenses of maintaining the residence.

- You must provide your social security number and, if applicable, your spouse's or domestic partner's social security number on the claim form. If you do not have a social security number, a Medicare or Medi-Cal number can be provided. If this information is not provided, it may result in a delay in processing the claim or disallowance of the exemption.
- A married couple or registered domestic partners who have more than one residence may only claim one Homeowners' Exemption unless each have established their own separate principal places of residence and provided the County Assessor with documentation of separate residences.
- You must notify the County Assessor in writing if you are no longer eligible for the Homeowners' Exemption on a property, such as when you sell the property, no longer live in the property as your primary residence, rent out the property, or occupy it as a vacation rental or secondary home. You must notify the County Assessor's office by December 10 of the fiscal year for which the exemption is to be terminated. However, if the County Assessor receives information such as a new deed recording on the property from the recorder's office or change in ownership statement from a new owner, that will satisfy notification, and the exemption will be removed.

## Where to Find Additional Information



Visit the State Board of Equalization's (BOE) website at [www.boe.ca.gov](http://www.boe.ca.gov) for additional property tax information.

For information on the Homeowner's Exemption, visit [www.boe.ca.gov/proptaxes/homeowners\\_exemption.htm](http://www.boe.ca.gov/proptaxes/homeowners_exemption.htm).

Refer to [www.boe.ca.gov/proptaxes/prop-tax-rules.htm](http://www.boe.ca.gov/proptaxes/prop-tax-rules.htm) for information on:

- Property Tax Rule 135, *Homeowners' Property Tax Exemption*, and
- Rule 135.5, *Homeowners' Property Tax Exemption-Supplemental Assessments*.

Visit the County Assessor's website where the property is located. The BOE's website has contact information for each County Assessor in California and is available at [www.boe.ca.gov/proptaxes/countycontacts.htm](http://www.boe.ca.gov/proptaxes/countycontacts.htm).