



INFORMATION SHEET

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PROPERTY TAX ASSISTANCE PROGRAMS FOR SENIORS

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.



General Information on California Property Taxation

As a result of the passage of Proposition 13 by the California voters in June 1978, California's property tax system is an acquisition value-based system such that real property is reassessed to market value only upon a change in ownership or completion of new construction, which establishes a base year value. Once established, a property's base year value is adjusted annually by an inflation factor not to exceed two percent; this is a property's factored base year value (FBYV).

Persons who have owned their property for many years generally benefit from Proposition 13 because their assessed values and property taxes are typically much lower than those who have purchased property more recently. Proposition 13 also limited the property tax rate to one percent of its assessed value plus the incremental rates necessary to fund local voter-approved bonded indebtedness. For additional information, refer to the State Board of Equalization's (BOE's) Publication 29, *California Property Tax, An Overview*, which can be accessed at www.boe.ca.gov/proptaxes/pdf/pub29.pdf.

Each year, as of the January 1 lien date, property must be assessed at the lower of its FBYV or its current market value. When the property is assessed below its FBYV, it is commonly known as a "Prop 8" value. Implemented by [Revenue and Taxation Code section 51](#), Proposition 8 benefits owners when a property suffers a decline in value because the current market value becomes the property's assessed value until such time as the FBYV is once again the lower of the two values. Thus, a Prop 8 value is only a temporary assessment; a property's FBYV sets the ceiling on the assessed value for property tax purposes.

The County Assessor's office keeps abreast of current market conditions and possible changes in property values; however, if a taxpayer believes

the assessed value of their property is higher than the current market value as of January 1 of that year, they may ask the County Assessor for an informal review or file a formal appeal with the county's [Clerk of the Board](#). For additional details on decline in value, refer to the BOE's website at www.boe.ca.gov/proptaxes/decline-in-value/.

Despite the limitation on value increases under Proposition 13 and the requirement to annually assess real property (such as a home) at the lower of its FBYV or current market value, seniors who have financial challenges may have difficulty paying property taxes. This Information Sheet discusses a variety of programs available that may assist seniors in reducing their property taxes.

Exemptions From a Property's Assessed Value

California property tax law provides for a number of exemptions, as discussed in Publication 29 mentioned above. There are no specific exemptions available for persons based on age; however, the homeowners' exemption and disabled veterans' exemption can benefit a senior by reducing the assessment of their home.

Homeowners' Exemption

California property tax law provides for a homeowner's exemption for all persons who own and live in their home as their primary residence. The exemption reduces the property's assessed value by \$7,000, which at the one percent statewide tax rate, is a \$70 savings in property taxes. The homeowners' exemption has a one-time filing requirement, but the exemption is applied annually to the assessed value. If your property tax bill does not reflect the exemption, contact the County Assessor in the county where the home is located to obtain a claim form. Contact information for all 58 County Assessors is available at boe.ca.gov/proptaxes/countycontacts.htm.





Disabled Veterans' Exemption

California property tax law provides for a disabled veteran's exemption on a principal place of residence for veterans who, due to a service-connected injury or disease, have been rated 100 percent disabled by the United States Department of Veterans Affairs or the military service from which the veteran was discharged, or are being compensated at the 100 percent rate due to unemployability. The exemption, which is considerably greater than the homeowners' exemption, is also available to the surviving spouse of a deceased disabled veteran. If you qualify, contact the County Assessor in the county where the home is located to obtain the Disabled Veterans' Exemption Claim form. Contact information for all 58 County Assessors is available at boe.ca.gov/proptaxes/countycontacts.htm.



Property Tax Postponement Program – Age 62 and Older

The California State Controller's Office (SCO) offers the Property Tax Postponement Program, which allows homeowners who are seniors, age 62 and older, to defer **current-year** property taxes on their principal residence. If a person is approved for the program, the SCO will make a payment on behalf of the homeowner directly to the County Tax Collector. Taxpayers must meet certain criteria to qualify for this program, including having at least 40 percent equity in the home and be within an annual income limit threshold. The annual household income limit is available on the SCO's website for the most recent application period; the income limit is \$49,017 for the fiscal year 2022-23 program.

The deferment of property taxes must be repaid with interest and is secured by a lien against the property. Generally, any postponed property taxes and interest is due and payable if the owner sells the home, moves out, or dies with no spouse or other qualified person who continues to live in the home. Funding for the program is limited and distributed on a first-come, first-served basis. Applications are available from the State Controller's Office beginning in September each year and must be submitted between October and February. For the fiscal year 2022-23 program, applications must be submitted between October 1, 2022, and February 10, 2023.

For additional information on the Property Tax Postponement Program, visit the State Controller's website at www.sco.ca.gov/ardtax_prop_tax_postponement.html.

Payment Plan for Outstanding Property Taxes

The law allows taxpayers to enter into payment plans with the County Tax Collector for residential or agricultural property if property taxes have not been outstanding for five years. The payment plan is referred to as a Permanent Installment Plan that enables taxpayers to pay defaulted taxes over a five-year period in equal installments. At the time an Installment Plan is opened, a one-time processing fee and 20 percent of the taxes due must be paid, with the remaining 80 percent of the taxes being paid in equal installments over the subsequent four years. Interest in the amount of 1.5% per month (18 percent per year) is computed on the unpaid balance. To remain in good standing on the installment plan, timely payments must be made, and future annual property bills must be timely paid.

More information on this program and an application to enter into the installment plan may be found on the County Tax Collector's website or by contacting the office. Contact information for all 58 County Tax Collectors may be accessed at www.boe.ca.gov/proptaxes/countycontacts.htm.



Exemptions From Special Assessments and Direct Levies

Special assessments resulting from voter-approved initiatives for a specific district in a county may be collected on the tax bill, as authorized by [Article XIII A, Section 4 of the California Constitution](#) (part of Proposition 13) and [Government Code section 51800](#). These additional assessments or fees appear as a separate line item on a secured property tax bill, and depending upon the county, they can be identified by a variety of names, such as Special Assessments, Direct Charges, Direct Levies, or Parcel Taxes. These assessments are adopted locally, either by the governing members of a special district or by the voters within the district, and are levied against property within the district boundaries to pay for a public project or service. These levies are not considered property taxes; however, they are collected on the property tax bill in the same manner as county property taxes.

Local governments and special districts use the assessments to finance a variety of public improvements and services, including sewers, weed removal service, storm drainage systems,



streets, street lighting, garbage service, water service, and sidewalk repair. In contrast to general property taxes, benefit assessments, such as those made by Community Facilities Districts (CFD) or Mello-Roos Districts, are based on the cost or value of the benefits or services provided, rather than on the assessed value of the property, and are itemized as a specific dollar amount.

A taxpayer must contact the taxing agency or district itself to ask if there are any exemptions that may be available for seniors for special assessments or direct charges; the phone number is listed next to the charge on the tax bill. Any provisions for an exemption would have been specified in the voter-approved initiative or special taxes. In some cases, a school district assessment may have an exemption available for persons who are 65 years of age or older. The voter-approved document itself may be located from online research to obtain the full details of its provisions, or a property owner can contact the district to ask about available exemptions or how to obtain the voter-approved document. If an exemption is available for a district assessment, generally, the district will be able to provide the necessary form to apply for it.

Where to Find Other Information on Assessment for California Property Tax Purposes

- Visit the State Board of Equalization's (BOE) website at www.boe.ca.gov/proptaxes/proptax.htm.
- 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.



Transfer of a Property's Factored Base Year Value to Replacement Property – Age 55 and Older

Property owners in California who are age 55 and older can transfer the FBV of their principal residence when they sell their home and buy or build another home under certain conditions. Also known as a base year value transfer exclusion, this prevents the replacement home from being reassessed at its current market value at the time of purchase. If the FBV of the original home is considerably lower than the current market value of the replacement property, savings will result.

A claim form for the exclusion must be obtained and filed with the County Assessor where the replacement property is located. For additional information on this exclusion and its eligibility requirements, see Publication 800-3, Information Sheet, *Transfer of Property Tax Base to Replacement Property – Age 55 and Older*, which can be accessed at www.boe.ca.gov/tra/infosheets.htm.