



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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RAMON J. HIRSIG
Executive Director

June 19, 2007

Re: Revenue and Taxation Code Section 63.1 – Parent-Child Exclusion

Dear Mr.

Your letter dated March 12, 2007, was referred to me for response. You asked "would the Board be willing to accept a 'Child-Parent' Exclusion where the child refuses to provide her Social Security Number?" For the reasons explained below, the refusal or failure of the daughter/transferor to provide her social security on the exclusion claim form will result in the claim being denied.

Under the facts presented, in June 2005, a daughter (the transferor) deeded a property located in --- County to her mother (the transferee and your client). You sent a parent-child exclusion claim form to the daughter's attorney to be certified, who responded that the daughter was unwilling to provide her social security number to "the transferee, her sister or the Tax Assessor's Office . . ." Our understanding is that the property at issue was not the daughter's principal residence.

Revenue and Taxation Code section 63.1 subdivision (a), subparagraph (2) states that change in ownership shall not include transfers of the first one million dollars of full cash value of non-principal residence real property for which parent-child exclusion claims are filed. Thus, when real property is transferred between a parent and child, a claim for the exclusion must be completed and filed for such a transfer to be excluded from change in ownership. The claim reporting provision in subdivision (f) requires the social security number of the transferor:

The assessor may report quarterly to the State Board of Equalization all purchases or transfers, other than purchases or transfers involving a principal residence, for which a claim for exclusion is made pursuant to subdivision (d). Each report shall contain the assessor's parcel number for each parcel for which the exclusion is

claimed, the amount of each exclusion claimed, the social security number of each eligible transferor, and any other information the board shall require in order to monitor the one million dollar (\$1,000,000) limitation in paragraph (2) of subdivision (a).

Subdivision (c)(10) defines the term, "social security number" as follows:

(10) 'Social security number' also includes a taxpayer identification number issued by the Internal Revenue Service in the case in which the taxpayer is a foreign national who cannot obtain a social security number.

The requirement for the social security number or taxpayer identification number on the claim form is to provide a means of monitoring and cumulating the value of transfers to determine whether the one million dollar limit of subdivision (a)(2) has been reached or exceeded. Thus, for non-principal residence property, if the transferor has a social security number but refuses to disclose it on the claim form, the parent-child exclusion should be denied.

The views expressed in the letter are advisory only. They represent the analysis of the Board of Equalization's Legal Department based on present law and the facts set forth in this letter. Therefore, they are not binding on any person or public entity. That said, if you have additional facts that might result in a different conclusion than the one presented here, please do not hesitate to contact me.

Very truly yours,

/s/ Brian Branine

BRIAN BRANINE
Senior Tax Counsel

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cc:

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Mr. Dean Kinnee	MIC:64
Mr. Todd Gilman	MIC:70