

NAME: _____

DATE: _____

**PROPOSITION 19 – INTERGENERATIONAL TRANSFER EXCLUSION
SELF STUDY SESSION - REVIEW QUESTIONS**

For the following questions, refer to [Letter to Assessors 2022/012, Implementation of Proposition 19, Intergenerational Transfer Exclusion](#).

1. Senate Bill _____ added section _____ to the Revenue and Taxation Code to implement the intergenerational transfer exclusion provisions that are contained in article _____, section _____ of the California Constitution, which was added to the Constitution under _____.

2. What date did the intergenerational transfer exclusion provisions become operative?
 - September 30, 2021
 - January 1, 2022
 - February 16, 2022
 - November 3, 2020
 - February 16, 2021

3. The provisions of Revenue and Taxation Code section 63.2 repealed the former parent-child and grandparent-grandchild transfer exclusion provisions under Revenue and Taxation Code section 63.1 for all intergenerational transfers taking place on or after January 1, 2022.
 - True
 - False

4. Under section 63.2, the term "purchase or transfer" includes which of the following? Mark all that apply.
 - Involuntary transfers resulting from a judicial decree
 - Voluntary purchases or transfers
 - Involuntary transfers resulting from a court order
 - Voluntary transfers by operation of law
 - Transfers through medium of an intervivos or testamentary trust
 - All of the above.

5. Revenue and Taxation Code section 105 defines real property.

True

False

6. For purposes of the intergenerational exclusion, real property includes which of the following? Mark all that apply.

Buildings, structures, fixtures, and fences erected on or affixed to the land

Land

A pro rata ownership interest in a mobilehome park

All mines, minerals, and quarries in the land

All standing timber

Interest in a legal entity

An interest in a unit or lot within a cooperative housing corporation

Fruit, nut bearing or ornamental trees and vines, not of natural growth, and not exempt from taxation, including date palms under eight years of age.

A pro rata ownership in a floating home marina

All of the above

7. Revenue and Taxation Code section 63.2(a)(1) provides that a change in ownership does not include the purchase or transfer of real property between parents and their children or, under limited circumstances, between grandparents and their grandchildren that is the principal residence of the transferor (family home).

True

False

8. Revenue and Taxation Code section 63.2(a)(1) defines a family home or principal place of residence as a dwelling that is eligible for a homeowners' exemption or a disabled veterans' exemption as a result of the transferor's ownership and occupation of the dwelling.

True

False

9. Under Revenue and Taxation Code section 63.2(a)(1), which of the following are true? Mark all that apply.

- The exclusion for a family home applies to a subsequent eligible transferee, as long as the subsequent transferee establishes the home as a principal residence and files for either the homeowners' or disabled veterans' exemption within one year of the previous eligible transferee's move-out date.
- The family home must become the principal residence of the transferee within one year of the date of purchase or transfer.
- Within the one-year period, the transferee must file for either the homeowners' or disabled veterans' exemption.
- All of the above

10. Which Revenue and Taxation Code section provides that a family home or principal residence includes only that portion of the land underlying the residence that consists of an area of reasonable size that is used as a site for the residence?

- Section 63.2(a)(1)
- Section 63.2(e)(8)
- Section 62.5
- Section 63.2(e)(5)
- Section 63.1

11. The area of reasonable size that is used as a site for the residence is determined by a _____ on a _____ basis.

12. If the family home becomes ineligible for the homeowners' or disabled veterans' exemption, the exclusion will be removed as of the date the eligible transferee or subsequent eligible transferee is no longer eligible for either exemption.

- True
- False

13. The value to be enrolled as of the lien date following the date the exclusion no longer qualifies is the full cash value established as of the change in ownership date (new base year value), adjusted annually for inflation (factored) for the period between the date of change in ownership and the date of enrollment.

- True
- False

14. Parent transfers their principal residence to their child on May 1, 2021. On the date of transfer, the principal residence has a factored base year value of \$325,000 and a full cash value of \$1,200,000. The child meets all intergenerational transfer exclusion requirements, and the exclusion is applied. The factored base year value of \$325,000 does not change. On May 1, 2023, the child moves out of the principal residence and no longer qualifies for the exclusion. On what date is the exclusion removed?

- January 1, 2023
- January 1, 2024
- May 1, 2023
- May 1, 2021
- June 1, 2023

15. Using the same scenario in Question 14, what is the new factored base year value to be enrolled as of the January 1, 2024, lien date? For purposes of this calculation, we are assuming an inflation rate of 2 percent for each lien date.

- \$1,248,480
- \$1,273,450
- \$344,893
- \$1,200,000
- \$338,130

16. When an eligible transferee moves out of the family home and no longer qualifies for the intergenerational exclusion, it is considered to be an event that is either a change in ownership or completion of new construction and therefore a supplemental assessment is warranted.

- True
- False

17. Revenue and Taxation Code section 63.2(e)(4) defines a "family farm" as

18. A legal parcel that is part of a family farm containing a family home may qualify separately for the exclusion for a family home.

True

False

19. The transfer of a family home or each legal parcel of a family farm is subject to a value cap of \$1 million.

True

False

20. Parent transfers their principal residence to their child on November 29, 2021. On the date of transfer, the principal residence has a factored base year value of \$550,000 and a full cash value of \$1,975,000. The child meets all intergenerational requirements, and the exclusion is applied. What is the value cap of this transfer?

\$1,000,000

\$1,975,000

\$2,525,000

\$1,550,000

21. Using the same scenario in Question 20, what is the new taxable value to be enrolled as of the date of the transfer?

\$550,000

\$1,525,000

\$425,000

\$975,000

\$1,425,000

22. Parent transfers their principal residence to their child on May 15, 2021. On the date of transfer, the principal residence has a factored base year value of \$295,000 and a full cash value of \$1,100,000. The child meets all intergenerational requirements, and the exclusion is applied. What is the value cap of this transfer?

\$1,100,000

\$1,000,000

\$1,295,000

\$1,395,000

23. Using the same scenario in Question 22, what is the new taxable value to be enrolled as of the date of the transfer?
- \$805,000
 - \$295,000
 - \$1,395,000
 - \$1,100,000
24. For purposes of the intergenerational exclusion, "child" is defined as which of the following? Mark all that apply.
- Any stepchild of the parent or parents and the spouse of that stepchild while the relationship of stepparent and stepchild exists.
 - Any foster child of a state-licensed foster parent, if that child was not, because of a legal barrier, adopted by the foster parent or foster parents before the child aged out of the foster care system.
 - Any child born of the parent or parents, except a child who has been statutorily adopted by another person or persons.
 - Any child adopted by the parent or parents pursuant to statute, including an individual adopted after reaching 18 years of age.
 - Any in-law child of the parent or parents.
 - All of the above
25. The relationship of stepparent and stepchild is deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving stepparent.
- True
 - False
26. The intergenerational exclusion between grandparents and grandchildren only applies in situations where one parent of the grandchildren, who is a child of the grandparent, is deceased as of the date of the transfer.
- True
 - False

27. The sole exception to the _____ requirement for the intergenerational exclusion between grandparents and grandchildren is that a _____ of the grandchild _____ need to be _____ in order to qualify for the _____ transfer exclusion.

28. The intergenerational exclusion applies to which of the following transfers? Mark all that apply.

- Transfer of real property from grandparent to grandchild
- Transfer of real property from child to parent
- Transfer of personal property from parent to child
- Transfer of real property from grandchild to grandparent
- All of the above

29. In order to grant an exclusion from a change in ownership for a transfer of a family home, what claim forms must be filed with the Assessor of the county where the property is located?

- _____
- _____

30. For the intergenerational transfer exclusion, each transferor and one of the eligible transferees must provide a written certification attesting as to the parent-child or grandparent-grandchild relationship.

- True
- False

31. The BOE created new forms, BOE-19-P and BOE-19-G, for claiming eligibility for the intergenerational transfer exclusions.

- True
- False

32. An intergenerational transfer exclusion may be granted as of the date of purchase or transfer if the proper claim form is filed prior to the following dates:

1.

2.

33. If a transferee files an intergenerational transfer claim form on August 20, 2024 and is provided prospective relief, the relief will be applied as of the January 1, 2025 lien date.

True

False

34. Pursuant to Revenue and Taxation Code section 63.1, claim forms associated with the intergenerational transfer exclusion are confidential and not subject to public inspection.

True

False

35. Revenue and Taxation Code section 63.2(g) allows a County Assessor to authorize a one-time processing fee of no more than \$175, to recover costs incurred by the County Assessor due to the failure of an eligible transferee to file a claim for the intergenerational transfer exclusion after two written requests.

True

False

36. The one-time processing fee may be levied only if an _____ was previously sent _____ notices by the County Assessor requesting that a claim be filed, to which the transferee did not _____ respond.

37. The 45- and 60-day filing periods for the notification of potential eligibility for the parent-child or grandparent-grandchild transfer exclusion are for the purpose of determining whether a processing fee is levied and supersedes the three-year or third-party transfer deadlines.

True

False

38. The State Board of Equalization adopted what regulation, which went into effect on January 1, 2022?
- Revenue and Taxation Code section 63.2
 - Property Tax Rule 462.520
 - Article XIII A, section 2.1(c)
 - Letter to Assessors No. 2021/054

For the following questions, refer to [Property Tax Rule 462.520](#).

39. If the transfer of real property between parents and their children or between grandparents and grandchildren is of a family farm, an eligible transferee must file either the homeowners' or disabled veterans' exemption. A family farm is required to include a principal residence to qualify for this exclusion.
- True
 - False
40. An Assessor may request any other information reasonably related to the claim they deem necessary to verify the exclusion.
- True
 - False
41. There is no limit to the number of principal residences or family farms of a transferor that may be transferred and excluded from change in ownership.
- True
 - False
42. Which of the following are true of Property Tax Rule 462.520(b)? Mark all that apply.
- If a transferee meets the requirements for exclusion under this section, the principal residence or family farm will be assessed at its new base year value.
 - Upon transfer, the principal residence or family farm obtains a new base year value equal to its full cash value on the date of transfer multiplied by the percent ownership of the principal residence or family farm transferred less the factored base year value of the percent ownership of the principal residence or family farm not transferred.
 - When the real property is no longer the principal residence or family farm of an eligible transferee as required by subdivision (a)(2) of this rule, the new taxable value upon removal of the exclusion may be determined pursuant to subdivision (d) of this rule.
 - All of the above
 - None of the above

43. Parent transfers 60 percent interest in their principal residence to Child and retains 40 percent interest. On April 10, the date of transfer, the principal residence has a factored base year value of \$575,000 and a full cash value of \$1,350,000. The principal residence's new base year value is which of the following?
- \$1,350,000
 - \$810,000
 - \$1,040,000
 - \$575,000
44. Using the same scenario in Question 43, if the Child meets the requirements for the exclusion, the principal residence will be assessed at its New Taxable Value in accordance with subdivision (c) of this rule. What is the New Taxable Value?
- \$575,000
 - \$810,000
 - \$1,040,000
 - \$1,350,000
45. The New Taxable Value of the principal residence or family farm is the sum of the eligible transferee's new taxable value, the noneligible transferee's new taxable value, and the factored base year value of non-transferred interest.
- True
 - False
46. On June 12, 2022, Parents' principal residence has a factored base year value of \$430,000. The excluded amount is \$1,430,000 (\$1,000,000 plus \$430,000 factored base year value). Parents transfer 65 percent interest in their principal residence to Child and the other 35 percent to a family friend on June 12, 2022. On the date of the transfer, the principal residence has a full cash value of \$1,275,000. What is the New Taxable Value of the principal residence?
- \$1,275,000
 - \$1,430,000
 - \$430,000
 - \$725,750
 - \$880,750

47. Using the same scenario in Question 46, what would be the New Taxable Value of the principal residence if the full cash value on the date of the transfer was \$2,000,000?

- \$1,295,750
- \$1,350,000
- \$1,179,000
- \$1,549,500
- \$2,000,000

48. Parents transfer their principal residence 70 percent interest to Daughter and 30 percent interest to Son. Daughter meets all intergenerational transfer exclusion requirements, and the exclusion is applied. Daughter moves into the home but 2 years later, moves out and rents the property to a third party. Since 100 percent interest in the property is still retained by the Daughter and Son, the intergenerational transfer exclusion still applies and is not removed.

- True
- False

49. Using the same scenario in Question 48, instead of renting the property to a third party, son moves in within one year of Daughter moving out and meets all the intergenerational transfer exclusion requirements. Since the property became the principal residence of another eligible transferee (Son) within one year, the intergenerational transfer exclusion still applies and is not removed.

- True
- False

50. If a transferee does not file the homeowners' or disabled veterans' exemption form within one year of the date of purchase or transfer, the intergenerational transfer exclusion will commence with the lien date of the assessment year in which the claim is filed.

- True
- False

51. The *Intergenerational Exclusion Claim Form* shall include a written certification signed and made under penalty of perjury of which of the following? Mark all that apply.

- That the real property is the transferor's secondary residence or family farm.
- That the real property is or will become within one year, the transferee's principal residence or family farm and a homeowners' exemption claim form will be filed.
- That the eligible transferee will notify the Assessor if the real property is no longer the principal residence or the family farm of an eligible transferee.
- That the transferee is a parent, child, grandparent, or grandchild of the transferor and that the transferor is their parent, child, grandparent, or grandchild.
- In the case of a grandparent-grandchild transfer, that one of the parents of the grandchild or grandchildren who qualify as children of the grandparents were deceased as of the date of the transfer.
- The property will continue to be the principal residence or the family farm of an eligible transferor.
- That the transferor will not file a claim to transfer the base year value of the property under either section 2, subdivision (a) or section 2.1, subdivision (b) of article XIII A of the California Constitution.
- All of the above.

52. Any claim _____ be filed within _____ after the date of the transfer of real property for which the claim is filed, or prior to the _____ whichever is _____. However, a claim shall be deemed to be _____ if it is filed within _____ after the date of mailing of a notice of _____ or _____, issued as a result of the transfer of real property for which the claim is filed.

53. Child transfers their principal residence to Parent on May 1, 2021. The property is also the principal residence of the Parent. Parent does not file a claim for the homeowners' exemption at the time of transfer, but files the homeowners' exemption and intergenerational transfer exclusion claim forms on April 1, 2022. On what date will the change in ownership be processed, and a new base year value established?

- April 1, 2022
- January 1, 2022
- May 1, 2021
- March 31, 2022

54. Using the same scenario in Question 53, assuming the Parent meets all other eligibility requirements, the Parent shall be entitled to a refund of property taxes previously paid, or a cancellation of taxes previously owed between what dates?

- May 1, 2021 and April 1, 2022
- May 1, 2021 and March 31, 2022
- May 1, 2021 and January 1, 2022
- May 1, 2021 and April 30, 2022

55. Parent transfers their principal residence to Child on June 1, 2022. The property is also the principal residence of the Child. Child files an intergenerational transfer exclusion form at the time of transfer but does not file a claim for the homeowners' exemption until a notice of supplemental assessment is received on March 1, 2023. The New Taxable Value for the transfer will be enrolled as of June 1, 2022.

- True
- False

56. Child transfers their principal residence to Parent on May 1, 2022. Parent files an intergenerational transfer exclusion form at the time of transfer. However, Parent does not move into the property until March 1, 2024 and files the homeowners' exemption form at that time. Because Parent did not move into the property within one year of the transfer, they are only eligible for prospective relief.

- True
- False

57. Who calculates and publishes the adjustments required by Property Tax Rule 462.520(g)?

- Federal Housing Finance Agency
- County Assessor
- California Secretary of State
- State Board of Equalization

58. On what date was Property Tax Rule 462.520 adopted?

- January 1, 2022
- January 18, 2023
- July 27, 2021
- November 17, 2022

For the following questions, refer to [Letter to Assessors 2023/012, Intergenerational Transfer Exclusion, Adjustment of the \\$1 Million Amount](#) and [Letter to Assessors 2022/012, Implementation of Proposition 19, Intergenerational Transfer Exclusion](#).

59. The transfer of a family home or each legal parcel of a family farm is subject to a value cap that is the sum of the property's factored base year value plus \$1 million. Section 2.1(c)(4) of article XIII A of the California Constitution provides that the \$1 million amount is to be adjusted every year beginning in February 2023.

- True
- False

60. On February 28, 2023, the _____ announced that the annual percentage change in the _____ for California for 2022 was _____ percent. Accordingly, the \$1 million amount is adjusted to _____.

61. For transfers that occur February 16, 2023, through February 15, 2025, the value cap will be the sum of the property's factored base year value plus \$1,022,600.

- True
- False

62. Parent transfers their principal residence to their child on March 1, 2024. On the date of the transfer, the principal residence has a factored base year value of \$475,000 and a full cash value of \$1,200,000. What is the value cap of this transfer?

- \$1,200,000
- \$1,475,000
- \$1,022,600
- \$1,497,600
- \$1,675,000

63. Using the same scenario in Question 62, what is the new taxable value to be enrolled as of the date of the transfer?

- \$475,000
- \$1,200,000
- \$725,000
- \$547,600
- \$1,675,000

64. Parent transfers their principal residence to their child on October 15, 2023. On the date of the transfer, the principal residence has a factored base year value of \$630,000 and a full cash value of \$1,890,000. What is the value cap of this transfer?

- \$1,630,000
- \$1,022,600
- \$1,652,600
- \$2,520,000
- \$1,890,000

65. Using the same scenario in Question 64, what is the new taxable value to be enrolled as of the date of the transfer?

- \$890,000
- \$1,260,000
- \$630,000
- \$1,237,400
- \$867,400