

Tax Relief for Seniors and Disabled Persons State of California California Revenue & Tax Code Section 69.5

Persons over 55 years of age and those severely and permanently disabled may be able to save on property taxes by taking advantage of Revenue and Tax Code Section 69.5.

This section was enacted by the voters under Propositions 60 and 90, with the objective of allowing seniors and disabled persons to transfer their current assessment to their next property and preclude a jump in property taxes. The following guidelines apply:

- The qualified taxpayer may transfer the assessed value of their original residence to a qualifying replacement dwelling.
- Original property and replacement property must usually be in the same county. However, the replacement dwelling can be in a different county if that county has enacted an ordinance permitting inter-county transfers.
- The property owner or his or her spouse must be at least 55 years of age or severely and permanently disabled.
- The benefit may be used only once-in-a-lifetime. However, persons who have used the benefit upon reaching age 55 may use it again if they later become severely and permanently disabled.
- The original dwelling must be a principal residence occupied by the owner either at time of sale, or within 2 years of purchase or construction of replacement dwelling.
- The replacement dwelling must be purchased/built within 2 years of the sale of the original property.
- The replacement property must be occupied by the claimant as the principal residence at the time of filing.
- The fair market value of the replacement dwelling must be equal to or less than the full market sales price of the original residence.
- The replacement property must be purchased for consideration at the fair market value - it cannot be inherited, distress sale priced, or exempt from reassessment.
- The claim must be filed within 3 years of purchase or completion of construction.

We believe the above information to be true and accurate, but it is not guaranteed. Please consult a qualified attorney or tax advisor before implementation.

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