



BASE YEAR VALUE TRANSFER CALCULATION

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Under Prop. 19, whether or not the base year value of an original principal residence can be transferred to a replacement principal residence, without adjustment, depends on the fair market values of the two properties.

If the fair market value of the replacement principal residence does not exceed the fair market value of the original principal residence, the factored base year value of the original principal residence can be transferred to the replacement principal residence without adjustment.

However, if the fair market value of the replacement principal residence does exceed the fair market value of the original principal residence, the difference between the two market values will be added to the factored base year value of the original principal residence. The sum will be the new base year value of the replacement principal residence.

EXAMPLE:

Homeowner, who is over age 55, sells a **principal residence on June 28, 2021 for a full cash value of \$700,000**. At the time of sale, the single-family residence has a **factored base year value of \$225,738**. On July 22, 2021, a **replacement principal residence is purchased for a full cash value of \$800,000**. Since the full cash value of the replacement principal residence exceeds the full cash value of the original principal residence, the difference in full cash values must be calculated and added to the transferred factored base year value.

1. Calculate the difference in full cash values

\$800,000	-	\$700,000	=	\$100,000
REPLACEMENT PRINCIPAL RESIDENCE FULL CASH VALUE		ORIGINAL PRINCIPAL RESIDENCE FULL CASH VALUE		DIFFERENCE

2. Add difference to factored base year value

\$225,738	+	\$100,000	=	\$325,738
FACTORED BASE YEAR VALUE		DIFFERENCE		NEW BASE YEAR VALUE OF REPLACEMENT PRINCIPAL RESIDENCE

For more information and updates on Prop. 19, please visit assessor.lacounty.gov/prop19

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