

California's Prop. 19

California's Proposition 19, which went into effect in 2021 and curtailed the tax benefits on property transfers between parents and children.

The 1978 ballot measure Proposition 13 capped property tax increases at 1% of the full cash value of the property as assessed in 1975, and which thereafter would only be reassessed when purchased, newly constructed or during a change in ownership. Annual increases are limited to 2%. Proposition 58, which went into effect in 1986, allowed a parent to transfer a home to a child without the property's value being reassessed.

Under Prop. 19, the parents' tax basis does not pass to the child. However, if the home is the inheritor's primary residence for at least one year after the property transfer, they can apply for an exemption that would mean some of the property's value would be excluded from the reassessment.

For more information, please contact my office.