

## Wise Woman Estate Planning Materials

Presented by:

Kerry Spence, Estate Planner

KERRY SPENCE ESTATE PLANS, INC.

Email: [kerry@kerryspenceestateplans.com](mailto:kerry@kerryspenceestateplans.com)

Phone: 415-453-5952

Website: [www.kerryspenceestateplans.com](http://www.kerryspenceestateplans.com)

## Proposition 13 vs. Proposition 19-California Property Tax Rules

Understanding how property taxes work in California can help families make wise decisions when passing down real estate. **Here is a simple comparison of Proposition 13 and Proposition 19.**

### Proposition 13 (1978)

- Limits property tax increases to a maximum of 2% per year, based on the property's original purchase price.
- Keeps taxes predictable and low for long-time homeowners.
- Tax reassessment only occurs upon sale or transfer to someone other than a spouse or qualifying child.

### Proposition 19 (Effective February 16, 2021)

- Allows transfer of the low property tax base to children only if:
  - The home was the parent's primary residence, AND
  - The child moves in and makes it their primary residence within one year.
- Even then, a reassessment may apply if the market value exceeds the parent's assessed value by more than \$1 million.
- Requires timely filing of forms (BOE-19-P and BOE-266) to claim the benefit.