



PROPOSITIONS 58 & 193

TRANSFERS BETWEEN PARENTS AND CHILDREN AND
FROM GRANDPARENTS TO GRANDCHILDREN



WHAT ARE PROPOSITIONS 58 & 193?

These constitutional initiatives provide property tax relief for real property transfers between parents and children and from grandparents to grandchildren.

Collectively, they make it easier to keep property “in the family.” In general, Proposition 58 states that real property transfers, from parent to child or child to parent, may be excluded from reassessment. Proposition 193 expands this tax relief to include transfers from grandparent(s) to grandchild(ren). In both cases, a claim must be filed within three years of the date of transfer to receive the full benefit of the exclusion.

Requirements and Guidelines for Propositions 58 & 193

1. The principal place of residence must have been granted a Homeowners’ Exemption or Disabled Veterans’ Exemption before the transfer. This residence need not be the new principal residence of the person that acquired the property.
2. No limit is placed on the assessed value of a principal residence that may be excluded from reassessment.
3. In addition to tax relief on the principal residence, you may claim an exclusion on transfers of other real property with an assessed value of up to \$1,000,000.
4. The \$1,000,000 exclusion applies separately to each eligible transferor. A \$2,000,000 limit applies to community real property of an eligible married couple.
5. Transfers by sale, gift, or inheritance qualify for the exclusion.
6. Transfers between parents and children as individuals, from grandparents to grandchildren as individuals, between joint tenants, from trusts to individuals, or from individuals to trusts may qualify for the exclusion.

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7. Transfers from grandchildren to grandparents are not eligible for this tax relief.
8. Transfers of ownership interests in legal entities, aside from most trusts, do not qualify for the exclusion.
9. A claim must be filed within 3 years after the date of purchase or transfer for which the claim is filled or prior to transfer to a third party, whichever is earlier, or within 6 months after the mailing of the notice of supplemental or escape assessment, issued as a result of the transfer for which the claim is filed. Untimely filed claims are subject to certain conditions, i.e., the property must not have transferred or resold to a third party and the claim will only apply to future tax years.
10. If reassessment of your property occurs before the approval and processing of your timely filed claim, the reassessment may be reversed. In these situations, a corrected tax bill and/or a refund will be processed.

Proposition 58: Transfer between Parent and Child Eligibility Requirements

1. The real property must be owned by the eligible transferor who is either the parent or the child.
2. You must be a parent or child. A child may be a son, daughter, son-in-law, daughter-in-law, stepchild, or child adopted before the age of 18.
3. Spouses of eligible children are also eligible until divorce or, if terminated by death, until the remarriage of the surviving spouse, stepparent, or parent-in-law.
4. You must complete a Claim for Reassessment Exclusion for Transfer between Parent and Child form for a gift or purchase of real property between parent and child.

Proposition 193: Transfer from Grandparent to Grandchild Eligibility Requirements

1. The real property must be owned by the eligible transferor who is the grandparent.
2. You must be a grandchild whose parent(s) qualify as the deceased child(ren) of the grandparents as of the date of transfer, and you must be the descendent's child.
3. You must complete a Claim for Reassessment Exclusion for Transfer from Grandparent to Grandchild form for a gift or purchase of real property from grandparent to grandchild.

Information deemed reliable but not guaranteed. For more details visit <https://assessor.lacounty.gov>.