



*Because to Sue and Michele....
Your Money Matters!*

Props 13, 60 and 90

Over 55? Carry Your Tax Base--Props 13, 60 and 90

Many people are not aware of exactly what these Propositions can do for them. The fact is, they can save you thousands of dollars a year in taxes, if you know what to do. If you have access to the internet, you can research all of these Propositions for detailed information. However, we will give you an idea of how they work.

Let's start with Prop 13. Whether you bought your home last month or have owned your home for twenty years, if you live in California Proposition 13 is protecting you.

The first benefit is that even the most recent homebuyers pay about 1/3 of the property taxes that they would without Proposition 13. The initiative simply keeps the general level of property taxation lower and fairer. Without Proposition 13, many new buyers could not afford both their mortgage payments and their taxes.

Proposition 13 also gives new homeowners long-term security by providing predictability in taxes. Property taxes are levied once a year. The tax "rate" is applied to the value of your home to determine your tax bill. Proposition 13 helps you by limiting the maximum tax rate to 1%. If a home has a value of \$250,000, the owner will see a tax bill of \$2,500. This prohibits a property tax increase until property ownership is changed.

Prop 60 allows replacement of a primary residence with a home of equal or lesser value in your same County if either spouse is over age 55 with the transfer of your Prop 13 assessed tax value from your old home to your new home.

Prop 90 allows different counties to elect to accept transfers of Prop 13 with an equal or less expensive home. Example: Using Prop 90, you can sell your \$400,000 home in San Francisco (assessed at \$80,000) and move to a new \$300,000 home in San Mateo carrying your \$80,000 assessed value. Currently, there are 7 counties participating which include Alameda, Los Angeles, Orange, San Diego, San Mateo, Santa Clara, and Ventura. [Contra Costa, Inyo, Kern, Riverside, Modoc, Monterey, and Marin have dropped out of the Prop 90 program].

In addition, if your old home closes escrow before you close on your new home, you can go up in value by 5% in the first 365 days. So you can go from \$400,000 to \$420,000. If you buy 366 days but less than two years after the sale of your home, you may go up 10% in value which would mean you can now go to \$440,000.

You are allowed to carry your tax base only one time; and if your spouse has already done so, it taints both spouses. Remember to always speak to your accountant for tax advice and verify all instructions and acceptance with the County Assessor's Office. You can also visit their website for more detailed information on these propositions

Our goal is not just to help clients buy or sell their home but to educate them in any way we can on one of the largest investments they will make in life. If we can help you with your home selling or buying needs, please contact us any time.

By the way, if you know of someone who would appreciate our services, please call or e-mail us with their name and number and we will be happy to help them. Or, please feel free to give them our names and phone numbers or e-mail, and they can contact us. Serving Moorpark, Thousand Oaks, Simi Valley, Newbury Park, Camarillo and parts of the San Fernando Valley.

Warmest Regards,

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