

Frequently Asked Property Tax Questions Domestic Partners

1. I want to transfer a 40% interest in my home to my domestic partner. Will my property be reassessed?

No, your property will not be reassessed as long as you and your partner are registered domestic partners at the time the transfer occurs.

2. I was reassessed in 2003 for a transfer between my registered domestic partner and myself. Is there anything I can do about it now?

Effective January 1, 2008, and upon application, transfers of real property and mobile homes between registered domestic partners in the State of California during the period January 1, 2000, and December 31, 2005, are excluded from the meaning of “change in ownership” that in other circumstances results in reassessment for property tax purposes. Relief will be provided on a prospective basis. The deadline to apply for this specific exclusion is June 30, 2009.

Applications are available to view and/or print on the Assessor’s website at www.scc-assessor.org.

3. My domestic partner transferred his home into his revocable living trust. I am the beneficiary of that trust after his death. Will the property be reassessed at that time?

No. As long as you are registered domestic partners on his date of death, you will not be reassessed.

4. We have officially terminated our domestic partnership and have agreed that I am to take title to the property 50% as a tenant in common. Will there be a reassessment?

No. If the transfer is pursuant to a property settlement agreement, decree of dissolution or legal separation between you and your former registered domestic partner, the home will not be reassessed. However, if either of you subsequently transfer your 50% interest to each other or a third party, a 50% reappraisable change in ownership will result.

5. Does the domestic partnership exclusion apply to members of the opposite sex?

Yes. The domestic partnership exclusion for property tax purposes applies to all qualified domestic partners registered with the State of California.

6. We’ve been in a domestic partnership for 20 years, but we aren’t ‘registered’ domestic partners. Will there be a reassessment, if one of us transfers the title to the other?

It depends. There may be an exclusion under Rule 462.040. This rule involves joint tenancy. It is advisable that you and your domestic partner speak with an attorney, and a CPA who understand the complexities involving estate planning and taxation regarding domestic partnerships.



7. My domestic partner and I are on title together with a 30/70 interest. We want to get a loan, but the bank says that since my partner has bad credit, we can't qualify for the loan unless she goes off title. Will there be a reassessment?

You may not be reassessed if you are changing title for financing purposes. Please call the Assessor's Property Transfer Unit at 299-5540 for further information.

8. My partner and I are considering purchasing a home together. Other than being registered domestic partners, is there anything else we need to do in order for the real property exclusion to apply?

Because you and your partner will be purchasing your home from a third party, there will be a change-in-ownership, and therefore a reassessment of the property. There is no exclusion from reassessment for this type of transfers involving third parties as sellers/transferees and you and your partner as buyers/transferees.

If you then decide to transfer an interest in the home between you and your partner, there will not be a reassessment since you are both registered domestic partners. Before taking title to the property, it's advisable that you contact an attorney regarding how to hold title.

9. What is the best way to vest title, and how does it affect my property taxes:
- a) at time of purchase;
 - b) in the event of a divorce;
 - c) upon death?

It's best to consult with an attorney and tax advisor regarding how to hold title regarding any of the above situations. For assessment purposes, you may want to consider the following:

- a) When property is acquired, the manner in which title is vested does not affect the determination of whether it will be reappraised for assessment purposes. Nearly all purchases or other acquisitions of real property will result in a reappraisal, although there are exclusions available in some circumstances such as transfer from parents to children, etc.
- b) When property is conveyed between spouses and/or registered domestic partners pursuant to a divorce or disillusionment, the reappraisal status is determined by the legal document affecting the disillusionment. Generally speaking, if the property is conveyed to the ex-spouse or ex-partner pursuant to the disillusionment, the document transfer will not be subject to reappraisal—it will be treated the same as a transfer between spouses or registered domestic partners. If the property, or a partial interest in the property, is conveyed to a third party, that portion will be subject to reappraisal.
- c) Similar to response b) above, if the property is conveyed or inherited by a spouse or registered domestic partner at the time of death it will not be reappraised. However, if the property, or a partial interest in the property, is conveyed to a third party, that portion will be subject to reappraisal.

You may call the Assessor's Property Transfer Unit at 299-5540 for questions about a specific situation.

