

Understanding Supplemental Property Taxes



When did this tax take effect?

The Supplemental Real Property Tax Law was signed by the Governor in July of 1983 and is part of an ambitious drive to aid California's schools. This property tax revision is expected to produce over \$300 million per year in revenue for schools.

How will Supplemental Taxes affect me?

If you don't plan on buying a new property or undertaking new construction, this tax will not affect you at all. But, if you do wish to do either of the two, you will be required to pay a supplemental property tax which will become a lien against your property as of the date of ownership change or the date of completion of new construction.

When and how will I be billed?

"When" is not easy to predict. You could be billed in as few as three weeks, or it could take over six months. When will depend on the individual county and the workload of the County Assessor, the County Controller/Auditor and County Tax Collector. The assessor will appraise your property and advise you of the new supplemental assessment amount. At that time you will have the opportunity to discuss your evaluation, apply for a Homeowners Exemption and be informed of your right to file an Assessment Appeal. The county will then calculate the amount of the supplemental tax bill. The supplemental tax bill will identify, among other things, the amount of the supplemental tax and the date on which the taxes will become delinquent.

Can I pay my Supplemental Tax Bill in installments?

All supplemental taxes on the secured roll are payable in two equal installments. The taxes are due on the date the bill is mailed and they are delinquent on specified dates depending on the month the bill is mailed as follows:

1. If the bill is mailed within the months of July through October, the first installment will become delinquent on December 10th of the same year. The second installment will become delinquent on April 10th of the next year
2. If the bill is mailed within the months of November through June, the first installment will become delinquent on the last day of the month following the month in which the bill is mailed. The second installment will become delinquent on the last day of the fourth calendar month following the date the first installment is delinquent.

How will the amount of my bill be determined?

There is a formula used to determine your tax bill. The total supplemental assessment will be prorated based on the number of months remaining until the end of the tax year, June 30th.

How does the proration factor work?

The supplemental tax becomes effective on the first day of the month following the month in which the change of ownership or completion of new construction actually occurred. If the effective date is July 1st, then there will be no supplemental assessment on the current tax roll and the entire supplemental assessment will be made to the tax roll being prepared which will then reflect the full cash value. In the event the effective date is not July 1st, then the table of factors represented in the chart is used to compute the supplemental assessment on the current tax roll.

If effective date is:	Proration factor is:	If effective date is:	Proration factor is:
August 1	.92	August 1	.92
September 1	.83	September 1	.83
October 1	.75	October 1	.75
November 1	.67	November 1	.67
December 1	.58	December 1	.58
January 1	.58	January 1	.58

Example: The County Assessor finds that the supplemental property taxes on your new home would be \$1,000 for a full year. The change of ownership took place on September 15th with the effective date being October 1st. The supplemental taxes would, therefore be subject to a proration factor of .75 and would be \$750.

Will my taxes be prorated in escrow?

No. Unlike your ordinary annual taxes, the supplemental tax is a one time tax which dates from the date you take ownership of your property or complete the construction until the end of the tax year June 30th. The information set forth herein is intended as an overview and should not be construed as Legal financial, or tax advice. Consult your tax professional.

