Understanding California's
Supplemental Property Tax

When you purchase or build a home, you may receive a supplemental property tax bill from your county's tax assessor. That's because your home's assessed value most likely will have changed since the previous owner purchased it or since new construction began. In either case, a new assessed value may lead to a change in the amount of tax you owe.

How does this tax affect me?
The supplemental property tax only affects you if you buy property or start new construction on a home. In either case, you will be required to pay a supplemental property tax that will become a lien against your property. As we'll see, the date of the ownership change or of completion of new construction is a factor in the tax amount.

How can I lower my tax assessment?
If applicable, you can apply for homeowner's exception as soon as you buy the property or complete the construction.

How does the county bill me?
There isn't one answer to this one. A lot depends on the county where the property is located and how busy the assessor, controller and tax collector are. The assessor can bill you anytime from a few weeks to more than six months from the date of purchase or the completion of new construction.

Here's what to expect, generally:

1. The assessor will appraise your property and let you know what the new assessment is.
2. The county will calculate your supplemental tax amount.
3. The tax collector will mail you a supplemental tax bill and important payment dates.

See the chart and example that follow for specific details and information about pro-rating.

Can I spread out payments?
If making two payments counts as spreading out, yes. The first payment is due on the date the bill is mailed and is delinquent based on that date. The structure is based on July 1 being the first day of the tax year. Here's how that breaks out:

- First payments for bills mailed between July and October become delinquent on December 10 of the same year. Second payments for these bills are delinquent on April 10 of the following year.
- First payments for bills mailed between November and June become delinquent on the last day of the month following the month the bill is mailed. Second payments become delinquent on the last day of the fourth calendar month following the date the first installment is delinquent.

Can I appeal the new assessment?
Yes. If you're unhappy with the assessment, discuss your concerns with the assessor, who should provide details on how to appeal. If applicable, you should consider applying for a homeowner's exemption when you receive the county's appraisal information of the property. If you already applied for a homeowner's exemption (see How can I lower my tax assessment? above), verify that it's included when you review the new appraisal.

How does the assessor determine the amount of my bill?
The assessor uses a formula to determine your tax bill. In general, it's based on the new assessed value minus the prior one, minus any exemptions that may be allowed. As with all voter-approved bonded debt, the supplemental property tax rate is 1% plus recapture.

Does it matter when I purchased or built my home?
Yes. Since the supplemental tax becomes effective on the first day of the month following the month when the change of ownership or completion of new construction occurred, your tax may be prorated based on your timing. An effective date of July 1 provides the only exception. Since July 1 is the first day of the new tax year, there won't be a supplemental assessment on the current tax roll; the entire supplemental assessment will be made to the tax roll being prepared, so it will reflect the full cash value. When the effective date is not July 1, these proration factors are used to compute the supplemental assessment on the current tax roll.

Effective Date	Proration Factor %	Effective Date	Proration Factor %
August 1	.92	February 1	.42
September 1	.83	March 1	.33
October 1	.75	April 1	.25
November 1	.67	May 1	.17
December 1	.58	June 1	.08
January 1	.50		

Can you give me an example?
Let's say you complete new construction of your home on September 15, making the effective supplemental property tax date October 1. The county auditor finds that the supplemental property taxes would be $1,000 for a full year. Referring to the proration chart above, the supplemental property taxes would be subject to a .75 proration factor. Your supplemental tax would be $750.

Can these 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 on June 30. The obligation for this tax is entirely that of the property owner and is handled wholly outside of escrow.

Supplemental tax proration factor chart content reprinted with permission from the California Land Title Association (February 2020).
Source: Legislative Analyst's Office (www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx), California State Board of Equalization (https://www.boe.ca.gov/proptaxes/prop60-90_55over.htm)

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