

Section 2(d) of Article XIII A of the California Constitution and the Revenue and Taxation Code generally provide that property tax relief shall be granted to any real property owner who acquires comparable replacement property after having been displaced by governmental acquisition or eminent domain proceedings.

If the full cash value of the comparable replacement property does not exceed 120 percent of the award or purchase price of the property taken or acquired, then the adjusted base year value of the property taken or acquired shall be transferred to the comparable replacement property.

Example

Purchase Price	120%	Replacement Property	Old Tax Basis	Replacement Tax Basis
\$100,000	\$120,000	\$120,000	\$50,000	\$50,000

If the full cash value of the replacement property exceeds 120 percent of the award or purchase price of the property taken or acquired, then the amount of the full cash value over 120 percent of the award or purchase price paid shall be added to the adjusted base year value of the property taken or acquired. The sum of these amounts shall become the replacement property's base year value.

Example

Purchase Price	120%	Replacement Property	Old Tax Basis		Replacement Tax Basis
\$100,000	\$120,000	\$130,000	\$50,000	+	(130,000 - 120,000) = \$60,000

Worksheet

Purchase Price	120%	Replacement Property	Old Tax Basis	Replacement Tax Basis

This worksheet is only an approximation. You must see your County Tax Assessor for a final determination. You should see the tax assessor before acquiring a replacement property and as soon as possible after the close of escrow on your property being acquired by the State of California.