



Understanding Supplemental Property Taxes

Supplemental property taxes have been with us since 1983, but you and your neighbors still may not know what they are, what they do and how they affect you and your property. To help you better understand this confusing subject, here are the answers to some of the most frequently asked questions about supplemental real 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 buy a new property or undertake new construction 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. 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 Homeowner's 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.

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.

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.

**For more information visit the Resource Center of our website.
www.westernresourcetitle.com**

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.