

California Real Estate Taxes When You Purchase A Home

How To Estimate Property Taxes When You Purchase A Home

To estimate property taxes on a property in California, you can use **1.25% of purchase price as a rule of thumb** for the **1st year's tax bill**.

When you purchase a home, the county tax assessor reassesses the property and sets a new property tax amount based on your purchase price. Your property taxes will be approximately 1% of your purchase price, plus any voter approved bonded indebtedness of the community (hence the 1.25% rule of thumb). A new community may have a "Mello-Roos" assessment. For example, every home located within the Mt. Diablo School District in Contra Costa County has a \$67 per year Mellos-Roos assessment added to their tax bill. Another common item you may find on the tax bill is for "pest abatement", or a "bond for a sewer district".

Your future increases are limited by Proposition 13 to 2% annually.

In future years, the tax assessor is allowed to increase the assessed value by 2% appreciation per year.

Homeowner's Exemption

This is a deduction of \$7,000 from the "assessed value" and applies only to owner-occupied properties. Once you've purchased a home you will receive a card to fill out to apply for the exemption. The card must be completed and returned between March 1st and April 15th. Applications submitted after April 15th, but before the end of the year will qualify for only 80% of the exemption.

Supplemental Property Tax Bill

The Supplemental Property Tax Bill is for the difference between the tax based on the seller's assessed value and the tax based on your new assessed value.

Property Tax Year

The Property Tax year is from July 1st to June 30th the following calendar year.

The 1st 6-month installment is due November 1st and is late if not received by December 10th

The 2nd 6-month installment is due February 1st the following year and is late if not received by April 10th.