

WHAT IS A SUPPLEMENTAL TAX BILL?

The supplemental bill is for taxes on the increase in assessed value, prorated from the date of change in ownership or date of completion of construction to the end of the fiscal year. It is in addition to the original secured tax bill for your property. It does not replace the original bill.

On July 1, 1983, California State law was changed to require the reassessment of property as of the first day of the month following an ownership change or the completion of new construction. What is meant by new construction is any substantial addition to real property (e.g., adding a new room, pool, or garage) or any substantial alteration which restores a building, room, or other improvement to the equivalent of new (e.g., completely renovating an outdated kitchen). In most cases, this reassessment results in one or more supplemental tax bills being sent to the property owner in addition to the annual property tax bill.

Most changes in ownership caused by the sale of property result in reassessment. However, interspousal transfers, the transfer, sale, or inheritance of property between parents and their children, and the addition of joint tenants do not result in the reappraisal of property values.

Furthermore, homeowners over the age of 55 years who sell their principal residence and purchase a replacement dwelling within two years that is of equal or lesser market value and is located in the same county are eligible to transfer the pre-sale assessed value of their original property to the replacement dwelling. For further information, please contact the Assessor's Office at (925) 313-7400.

HOW IS A SUPPLEMENTAL ASSESSMENT DONE?

The Assessor first determines the new value of the property based on current market values. The Assessor then calculates the difference between the new value (set at the time of purchase or completion of new construction) and the old value (set on January 1 of the previous fiscal year). The result is the supplemental assessment value. Once

the new assessed value of your property is determined, the Assessor will send you a notification of the amount to be assessed.

Example:

- New value at date of purchase or completion of new construction \$120,000
- Assessed value for current fiscal year \$100,000
- Supplemental assessment value will be \$20,000

This reassessment usually results in an increase in property value, in which case your supplemental taxes will be calculated by the Auditor-Controller based on the change in value, and one or more supplemental tax bills will be created and mailed to you by the Tax Collector. However, in some instances the reassessment results in a reduction in value, in which case a refund will be prepared by the Auditor-Controller and mailed to you. A reduction in value will not reduce the amount due on the annual secured tax bill. The annual tax bill must be paid in the amount originally billed.

The supplemental tax bill is usually sent directly to you. If you purchase and then sell property within a short period of time, the supplemental tax bill you receive should cover only those months during which you owned the property, and the new owner should receive a separate supplemental tax bill. However, because of the large number of parcels and frequency of property changing hands, there are often delays in placing new assessments on the roll. Be sure to check the dates used to prorate the bill to ensure that the period covered is the period during which you actually owned the property. If you think there's an error in the pro-ration of your supplemental tax bill, please contact the Auditor-Controller's Office at (925) 646-2236.

DO I HAVE THE SAME RIGHT TO APPEAL THE ASSESSOR'S SUPPLEMENTAL ASSESSED VALUE AS I DO THE ANNUAL ASSESSED VALUE?

Yes. You may take the matter up with the Assessor to see if that office will change the valuation. Additionally, the Board of Supervisors has established an Assessment Appeals Board for the

purpose of resolving valuation problems in connection with supplemental tax bills.

Applications for appeal must be filed within sixty days of the mailing date shown on the assessment notice. If you choose to appeal your assessment, you should still pay your tax installments in full by the appropriate deadlines; otherwise, you may incur penalties while the case is in appeals. If your appeal is granted, a refund will be issued to you.

Further information about the appeals process can be obtained by calling (925) 335-1920 or writing to the Clerk of the Assessment Appeals Board, 651 Pine Street, Room 106, Martinez, CA 94553.

IF I RECEIVE A SUPPLEMENTAL TAX BILL, WILL I ALSO RECEIVE AN ANNUAL TAX BILL IN THE FALL OF EACH YEAR?

Yes. The supplemental tax bill is sent in addition to the annual tax bill and both must be paid as specified on the bill. For information on the annual tax bill, see our brochure on Annual Secured Property Taxes.

IF I PAY MY PROPERTY TAXES THROUGH AN IMPOUND ACCOUNT (I.E., WITH MY MORTGAGE PAYMENT), WILL MY LENDER GET MY SUPPLEMENTAL TAX BILL?

No. Unlike the annual tax bill, lending agencies do not receive a copy of the supplemental tax bill. When you receive a supplemental tax bill, you must contact your lender to determine who will pay the bill. Generally, your impound account will only cover your regular tax bill and not your supplemental bill.

WHAT DOES THE SUPPLEMENTAL TAX BILL TELL ME?

The supplemental tax bill provides the following information:

- The owner (or new owners as of the date of ownership change), the location of the property and last available mailing address.
- The event date, the billing date and the fiscal year for which the taxes are assessed.

- The Value Calculation, as determined by the County Assessor, showing a comparison of the revised value of the property as a result of your event to the value on the Secured Tax Roll. The difference between the two values is the basis of this supplemental tax billing.

- The Tax Calculation box that includes a list of items for payment of voter approved indebtedness of the jurisdiction listed.

- The net total amount of supplemental taxes due, to be paid in two separate installments along with the attached mail stubs. These stubs show the due date for each installment.

The bill may be paid in two installments and provides payment stubs for each installment, which show the amount due and the date that the amount must be paid to avoid penalties for late payment.

WHAT IF I PURCHASE A PIECE OF PROPERTY AND THEN SELL IT AGAIN AFTER A FEW MONTHS?

If you purchase and then sell property within a short period of time, the supplemental tax bill you receive should cover only those months during which you owned the property, and the new owner should receive a separate supplemental tax bill.

Because of the large number of parcels and frequency of property changing hands in Contra Costa County, there are often delays in placing new assessments on the roll. Be sure to check the dates used to prorate the bill to ensure that the period covered is the period during which you actually owned the property. If you receive an incorrect tax bill, contact the Assessor's Office at (925) 313-7400.

WHEN I PURCHASE PROPERTY OR COMPLETE CONSTRUCTION AT SOME POINT DURING THE FISCAL YEAR, WILL I BE TAXED ON THE SUPPLEMENTAL VALUE FOR THE ENTIRE FISCAL YEAR?

No. You are only be taxed on the supplemental value for the portion of the current fiscal year remaining after you purchased the property or completed new construction.

SO, IS IT POSSIBLE TO GET MORE THAN ONE SUPPLEMENTAL TAX BILL?

Yes. It is possible to receive several supplemental tax bills, depending on when the ownership change or completion of new construction occurred and when the Assessor recorded the new value on the tax roll. Because property is assessed each January 1st for the upcoming fiscal year (July 1 - June 30), you will receive one supplemental bill if the change in property value due to ownership change or new construction is recorded on the tax roll between June 1st and December 31st; you will receive two supplemental bills if the change in property value is recorded on the tax roll between January 1st and May 31st.

WHEN DO SUPPLEMENTAL TAX BILLS HAVE TO BE PAID?

The date on which supplemental bills become delinquent varies depending upon when they are mailed by the Tax Collector. If the bill is mailed between July 1 and October 30, the taxes become delinquent at 5 p.m. on December 10 for the first installment and 5 p.m. on April 10 for the second installment (the same delinquency schedule as for annual tax bills mailed in November).

If the bill is mailed between November 1 and June 30, the delinquency dates -- which are printed on the bill -- are determined as follows: The first installment is delinquent at 5 p.m. on the last day of the month following the month the bill was mailed; the second installment is delinquent at 5 p.m. on the last day of the fourth month after the first installment delinquency date.

Penalties of 10% are added to any installment that is not paid on time, and an additional \$20 charge is added to a late second installment.

IF PAYMENT OF THE SUPPLEMENTAL TAX BILL IS NOT MADE BEFORE THE DELINQUENCY DATE BECAUSE OF A MISUNDERSTANDING BETWEEN MY LENDER AND MYSELF, MAY I HAVE THE PENALTIES EXCUSED?

No. State law stipulates that this is not an acceptable reason for excusing penalties.

WHAT HAPPENS IF I FAIL TO PAY MY SUPPLEMENTAL TAX BILL?

The same rules apply as for unpaid annual property tax bills. If your supplemental tax bill is not paid by June 30, after the second installment becomes delinquent, the property becomes tax defaulted (even if you have paid your annual tax bill). At the end of the fifth year of delinquency the property becomes subject to the power of sale as described in our pamphlet on Delinquent Property Taxes.

CAN DELINQUENT SUPPLEMENTAL TAXES BE PAID ON AN INSTALLMENT PLAN?

Yes. Delinquent supplemental taxes can be paid on an installment plan in the same manner as your annual property taxes once the taxes become delinquent. See our pamphlet on Delinquent Property Taxes.

AM I ENTITLED TO A HOMEOWNER'S EXEMPTION ON MY SUPPLEMENTAL TAX BILL?

You may very well be eligible for a homeowner's exemption on your supplemental tax bill. Exemptions, however, are not granted automatically. You must apply to the Assessor before the 30th day following the date of the notice from the Assessor of your supplemental assessment. As long as the home you purchased did not receive the homeowner's exemption on the current year's assessment, and as long as you occupy the home as your principal residence within 90 days of the purchase date, you would be allowed the full amount (\$7,000) on the supplemental assessment. If your newly purchased home did receive the full homeowner's exemption, however, you would not be able to receive the exemption on your supplemental assessment.

Example:

On July 29, 2012 you purchase a home on which no homeowner's exemption had been allowed. Because you are reassessed on the first day of the month following an ownership change, in the current fiscal year you will pay supplemental taxes

for the one remaining month. Your 2012-13 supplemental assessment amounts to \$20,000. If you file for and qualify for a homeowner's exemption, the entire \$7,000 exemption amount would be deducted from the supplemental assessment BEFORE the taxes are calculated

ARE OTHER EXEMPTIONS AND ASSISTANCE PROGRAMS AVAILABLE THAT WILL HELP DEFRAY THE AMOUNT OF SUPPLEMENTAL TAXES DUE?

Yes. Supplemental taxes are eligible for the same property tax exemptions and assistance programs as your annual taxes. In addition to the homeowner's exemption, you can apply through the Assessor's Office for a number of other assessment exemptions (e.g., veteran's, church, and welfare) that result in savings. You must, however, file for all exemptions before the 30th day following the date of the notice from the Assessor of your supplemental assessment. For further information, contact the Assessor's Office, at (925) 313-7400.

If you would like to receive additional information on understanding property taxes, delinquent property taxes, or mobile home property taxes, please write to the Contra Costa County Tax Collector, P.O. Box 631, Martinez, CA 94553, or e-mail us at taxinfo@tax.cccounty.us.

RUSSELL V. WATTS
TREASURER-TAX COLLECTOR

Supplemental Property Tax

Contra Costa County Tax Collector's Office



Russell V. Watts
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For more information, visit our Web site at:
<http://www.co.contra-costa.ca.us/depart/tax/>