



AVOID COMMON AND COSTLY MISTAKES TRUSTS AND TAX SAVINGS GUIDE

JEFF PRANG, ASSESSOR

Transfer to a Revocable Trust

If I put my property into my revocable living trust, will my property taxes go up?

No. When a property owner transfers property to their revocable living trust - which they can amend or cancel - the property will not be reassessed. This is because the creator of a revocable living trust is viewed as the owner of the property held by the trust. However, when the creator of the trust passes away, a change in ownership occurs and the property may be reassessed. Savings programs, including the interspousal transfer exclusion or the parent-child transfer exclusion, which can protect against reassessment, may be available. To determine if a property owner is eligible for such benefits, the Assessor's Office will need to review a complete copy of the trust to which the property was transferred. After recording a deed, transferring property to a trust, please keep an eye out for requests for information from the Assessor.

Note: After transferring property to your revocable living trust, a copy of the complete trust document, including any amendments, should be provided to the Assessor's Office, so we can confirm your continued ownership of the property. See [Rev. & Tax Code § 62\(d\)](#).

Transfer to an Irrevocable Trust

If I put my property into my irrevocable trust, will my property taxes go up?

Maybe. When a property owner transfers property to an irrevocable trust - which they cannot cancel - whether or not the property will be reassessed is dependent on the beneficiaries named in the trust. Generally, if the property owner or their spouse is named as the present beneficiary of the trust, the property will not be reassessed. On the other hand, if an individual or individuals, other than the property owner or their spouse, are named as the present beneficiaries of the trust, the property will be reassessed. Savings programs, including the interspousal transfer exclusion or the parent-child transfer exclusion, which can protect against reassessment, may be available.

Transfer out of a Trust

If I take my property out of my trust, will my property taxes go up?

Maybe. When property is transferred out of a trust, whether or not a reassessment will occur depends on to whom the property is transferred. Transferring property from your trust back into your name, or to another revocable trust created by you, will not cause a reassessment. On the other hand, transferring property to a third party or third party's trust, generally will cause a reassessment. Again, savings programs, including the interspousal transfer exclusion or parent-child transfer exclusion, may apply.

Inheritance from Parents

I inherited property from my parents, through their trust. Will my property taxes go up?

Maybe. A trust does not itself protect property from reassessment. Upon the death of a real property owner, their property becomes subject to reassessment - whether or not it is held in trust - absent an applicable exclusion. The parent-child transfer exclusion allows property to be transferred from a parent to a child, without the property being assessed. A parent-child transfer exclusion claim must be filed with the Assessor in a timely manner. If the transfer occurred upon the death of a parent, a separate “Change in Ownership Statement, Death of Real Property” must be filed, in addition to the exclusion claim.

See Forms [BOE-58-AH/OWN-88](#) or [BOE-19 P](#), and [BOE-502-D/ASSR 176](#).

Inheritance from Grandparents

I inherited property from my grandparents, through their trust. Will my property taxes go up?

Maybe. A trust does not itself protect property from reassessment. Upon the death of a real property owner, their property becomes subject to reassessment - whether or not it is held in trust - absent an applicable exclusion. Under certain circumstances, the grandparent-grandchild transfer exclusion allows property to be transferred from a grandparent to grandchild, without the property being assessed. A grandparent-grandchild transfer exclusion claim must be filed with the Assessor in a timely manner. If the transfer occurred upon the death of a grandparent, a separate “Change in Ownership Statement, Death of Real Property” must be filed, in addition to the exclusion claim.

See Forms [BOE-58-G/OWN-143](#) or [BOE-19 G](#), and [BOE-502-D/ASSR 176](#).

Transfers to Siblings

I inherited property from my parents, through their trust. I then sold the property to my sibling. Will the property taxes go up?

Yes. Transfers between siblings will be reassessed. Even if you and a sibling inherit equal shares of a property, and you subsequently transfer your share to a sibling, the transferred portion of the property will be reassessed. However, if your parent(s)’ trust does not specify a pro rata distribution, then the trustee may be able to distribute the property to one sibling and assets of equal value to the other, thereby avoiding a transfer that would trigger reassessment. If there are not sufficient assets to equalize shares, the trustee may also be able to borrow against the property. Such action must be taken by the trustee, in the name of the trust. Remember it is not the trust that prevents reassessment: a Parent-Child Exclusion claim must be filed.

See [Board of Equalization Property Tax Annotation 625.0000](#).

Disclaimer: Information on this document should not be construed as legal advice, but is designed merely to inform the public on tax relief opportunities processed by the Office of the Los Angeles County Assessor. If you have any questions regarding your particular property tax position, it is recommended that you consult with an attorney or a property tax professional.