



Taxable New Construction vs. Non-Taxable Maintenance Or Replacement

- New construction is taxable under California law but does not trigger a reassessment of the entire property.
- The market value of new construction is added to the existing Proposition 13 value.
- New construction is subject to a one-time supplemental assessment upon completion of construction.
- Maintenance or replacement of existing items is not taxable.

Examples of Taxable New Construction

- New buildings or structures, or significant remodeling that changes the utility or effective age of a property.
- New additions to real property including room additions, living space, garages, other structures, swimming pools, spas, patio covers, enclosed patios, sunrooms, porches, central heating/air conditioning, fireplaces, decks, fences or flatwork.
- Land development (grading, infrastructure, foundations).

Examples of Non-Taxable Maintenance Or Replacement

- Maintenance or replacement of existing improvements including roofs, garage doors, kitchen cabinets or counters, flooring, patio covers, central heating or air-conditioning equipment, windows, doors, decks, flatwork, fences.
- Replacement item(s) must be of similar size to those being replaced.
- Loans and refinancing will not increase the taxable value, regardless of the loan amount.
- Certain types of new construction are specifically excluded from assessment, including:
 - o Active solar energy systems or seismic rehabilitation and retrofitting improvements.
 - o Construction or installation of fire sprinkler or detection system.
 - o Structural improvements to make an existing building or structure more accessible to, or more usable by, a disabled person. A claim form and physician's statement are required.

Please call (714) 834-2727 for more information.

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