

# MONARCH TITLE COMPANY

## SUPPLEMENTAL TAXES



Picture this: You've been settled into your new home for a few months, and you receive a bill in the mail for supplemental property taxes. With the massive stack of paperwork new homebuyers wade through during their transaction, you might dismiss the bill as something taken care of during the escrow process. But it's not.

At Monarch Title Company, we are committed to developing long-term relationships with our clients, even after the sale is done. We want our clients to know the mailing is an essential loose end to the homebuying process in California and a bill they need to pay.

What should you know about supplemental property taxes?

- Buyers who purchase a new home or construct a new home are subject to the taxes.
- Following a sale, properties are reassessed under California law. The bill reflects any increases to the home's assessed value at the time the transaction is finalized.
- The bill is based on a pro-rated formula, factoring the date the transaction closes and proximity to the end of the fiscal year.
- Not paying the taxes can cause a lien to be placed on your property.
- Typically the new homeowner receives the bill within six months of the purchase.



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