

ESCAPE PROPERTY TAX IN CALIFORNIA



CHICAGO TITLE

California Escape Property Taxes refers to escape assessments and the additional property taxes that result from them.

In California, property taxes are based on the value of real property as determined by the county assessor. When a property changes ownership, is newly constructed, or undergoes certain improvements, the assessor is required to revalue it. If for some reason the assessor does not discover or process the change in time, the property may continue being taxed at its old, lower value. Later, when the oversight is caught, the assessor issues what's called an escape assessment—an adjusted valuation that “escapes” the regular tax roll. This results in an additional property tax bill, called escape property taxes, which the owner must pay to make up for the missed taxes from prior years.

Escape assessments can cover changes such as an unreported room addition, a remodel, or a transfer of ownership that was not recorded properly. By law, county assessors in California can issue escape assessments for up to four years retroactively from the date the under-assessment is discovered. Property owners then receive an “escape tax bill” reflecting the extra taxes owed for those past years, often with interest.



Some reasons why you would receive an escape tax bill.

- Construction or property improvements were done without a building permit.
- Delayed discovery of permitted and completed construction.
- There was an unrecorded ownership transfer.
- A business audit changed the property's assessment.
- The assessment was corrected.
- A property owner has died and the estate executor has not notified the Assessor's Office of the death in a timely manner.
- Clerical or Administrative Errors.
- Property was mistakenly granted an exemption it didn't qualify for.

Consequences:

If a property in California is subject to escaped taxes, the consequences can be significant. The property owner may receive a retroactive tax bill for up to four prior years, depending on when the omission was discovered. In addition to the base taxes owed, penalties and interest may be applied—especially if the escape was due to failure to file required documents or intentional concealment. These unpaid taxes become a lien on the property, which can affect refinancing, sales, or transfers. Property owners also face a limited window to appeal the assessment, making timely response critical.

Visit your local County Assessors website for additional information on Escape Property Taxes.



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