



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
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STEVE WESTLY
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Member

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Member

June 17, 2003

Information Letter No. 20030167

Dear *****:

This letter is in response to your ***** question: Whether a claimant with a life estate would still qualify for the Homeowner and Renter Assistance Program?

The answer is yes.

Revenue and Taxation Code section 20508 provides in part that a:

"residential dwelling" means a dwelling occupied by the claimant as the principal place of residence and so much of the land surrounding it as is reasonably necessary for the use of the dwelling as a home, owned by the individual, and located in this state. . . . It shall also include premises occupied by a claimant wherein he is required by law to pay a property tax by reason of his ownership (including a possessory interest) in the dwelling, and land, or both. . . (Owned includes . . . the interest of a life estate interest, but not the interest of the remainderman

Therefore, if your client executes a deed transferring his or her formal ownership but retains a right of occupancy (possessory interest) and the right of occupancy states that the transferor will continue to pay the property taxes, he/she will continue to qualify for homeowner assistance.

If I can be of any further assistance, please call me at (916) 845-6408.

Sincerely,

Jean Cramer
Supervising Tax Counsel III