



STATE OF CALIFORNIA

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TO COUNTY ASSESSORS:

No. 86/62

HANDLING OF OVERASSESSMENTS DISCOVERED BY AUDIT OF NONMANDATORY
ACCOUNTS

The question has arisen as to whether or not a taxpayer is entitled to a refund when an audit discloses an overassessment on property that has not been the subject of a timely appeal, i.e., under Section 469 do both mandatory and nonmandatory account owners have to be notified when overassessments are discovered, or are only owners of mandatory audit accounts accorded this right?

One argument has been that since Section 469 talks about audits of businesses with assessable business property of \$200,000 or more (mandatory account), that nonmandatory accounts are not covered under this section, i.e., that cancellations or refunds based on overassessments are not proper for nonmandatory accounts under this section. We believe that this interpretation is erroneous. The assessor's role is to promote equitable and accurate assessments. As such, whenever overassessments are discovered, the taxpayer should be notified (Section 469 says "shall be notified") that a claim for cancellation or refund of taxes based on such overassessment should be initiated.

We hope the foregoing clarifies the handling of overassessments of nonmandatory accounts. Contact David A. Lucero of this division at (916) 445-4982 if you have any questions.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosures
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