

LESSOR'S EXEMPTION

Reduction in Taxes. Revenue and Taxation Code Section 202.2 requires lessors to reduce lease rental payments on property which receives the benefit of an exemption on the basis such property is used for certain public libraries and museums or used exclusively for public schools, community colleges or state universities, including the University of California, and leased property used exclusively for educational purposes by a nonprofit institution of higher education. Lease contracts entered into prior to September 20, 1978, may be brought under the provisions of Section 202.2 by a mutual agreement that the ongoing contract is canceled and a new, but duplicate, contract shall be commenced. A simple one-page document incorporating the old agreement by reference would accomplish this end. 11/29/78.

