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No. 95/14

February 22, 1995

TO COUNTY ASSESSORS:

EXEMPTION CODE SECTIONS AFFECTED BY 1994 LEGISLATION

In 1994 four bills, affecting six Revenue and Taxation Code sections relating to property tax exemptions, were passed. A fifth bill (Senate Bill 1726) amending Section 504 is included herein as that section affects virtually all exemptions. Following, chronologically by code section, is a summary of those changes. Where two bills changed the same code section, the language of the latest chaptered bill prevails.

Section 75.21

Chapter 1222 (Senate Bill 1431), among several other changes, amends Section 75.21, subdivision (d) to provide that, for the veterans' and disabled veterans' exemptions provided by Sections 205 and 205.5, the filing of one claim form is sufficient to receive exemption on both the regular and the supplemental assessment rolls. Similar legislation was provided for the homeowners' exemption in 1988.

Chapter 1222 also added Section 75.21, subdivision (e) to provide that, for exemptions that require annual filing (welfare, college etc.), additional exemption claim forms need not be filed to receive exemptions from supplemental assessments for completion of new construction on properties that have previously been granted exemption. This change became effective January 1, 1995.

Section 227

Chapter 940 (Senate Bill 1626) amends Section 227, subdivision (c) by adding "...A vessel shall not be deemed to be engaged or employed in activities other than the carrying or transporting of seven or more persons for hire for commercial passenger fishing purposes by reason of that vessel being used occasionally for dive, tour, or whale watching purposes. For purposes of this subdivision, 'occasionally' means 15 percent or less of the total operating time logged for the immediately preceding assessment year."

Form AH 576E, Affidavit For 4 Percent Assessment Of Certain Vessels, has been revised accordingly and was distributed to you with Letter To Assessors No. 95/11. This change became effective January 1, 1995, but it does not become operative until July 1, 1995.

Section 241

Chapter 527 (Assembly Bill 3514) adds Section 241 to provide that the first \$20,000 of personal property that consists of hand tools owned and supplied by an employee that are required as a condition of employment are exempt from taxation. It also defines "hand tools", "hand tools owned and supplied by an employee", and "employee". This bill became effective September 12, 1994 as a tax levy.

Section 273.5

Chapter 1222 (Senate Bill 1431) changes the deadline for late filing for the veterans' exemption from December 1 to December 10 for the 1995-96 fiscal year and subsequent years. See Letter To Assessors No. 94/63.

Section 276

Chapter 1222 (Senate Bill 1431) changes the deadline for late filing for the disabled veterans' exemption from December 1 to December 10 for the 1995-96 fiscal year and subsequent years. See Letter To Assessors No. 94/63.

Section 504

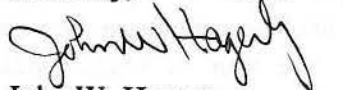
Chapter 544 (Senate Bill 1726) provides that when an escape assessment is caused by a fraudulent act or omission or collusion, a penalty of 75% of the escaped assessment shall be added. As noted above, while not specifically an exemption code section, Section 504 affects virtually all exemptions. This change became effective January 1, 1995.

Section 2229

Chapter 229 (Senate Bill 1662) amends Section 2229, subdivision (a) by deleting the provision that no property tax exemption enacted after January 1, 1973 shall extend for more than five years or shall exempt more than 75 percent of the property's assessed value. This change becomes effective January 1, 1995.

If you have any questions regarding the preceding, please contact our Exemption Unit at (916) 445-4982.

Sincerely,



John W. Hagerty
Deputy Director
Property Taxes Department

JWH:kmc