



STATE OF CALIFORNIA

**STATE BOARD OF EQUALIZATION**

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
TELEPHONE (916) 324-0295  
FAX (916) 324-3984  
[www.boe.ca.gov](http://www.boe.ca.gov)

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First District, Hayward

DEAN ANDAL  
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July 17, 2000

No. 2000/039

TO INTERESTED PARTIES:

**PROPERTY TAX REGULATION 153  
LIQUEFIED PETROLEUM GAS TANKS**

Following a scheduled public hearing on February 23, 2000, the State Board of Equalization adopted Property Tax Regulation 153. The adoption became effective May 28, 2000.

Enclosed for your information is a final printed copy of the regulation.

If you have any question regarding the content of this regulation, please contact Mr. Mark Nisson at (916) 324-0295. If you wish extra copies of this regulation, please write to State Board of Equalization, Supply Publications, 3920 West Capitol Avenue, West Sacramento, CA 95691.

Sincerely,

/s/ Judy Newton

Judy Newton, Chief  
Board Proceedings

JN:DGO  
Enclosure

State of California  
BOARD OF EQUALIZATION  
  
PROPERTY TAX RULES

Chapter 1. State Board of Equalization — Property Tax  
Subchapter 2. Assessment  
Article 3.5. Special Classifications

**Rule 153. LIQUEFIED PETROLEUM GAS TANKS.**

*Authority Cited:* Government Code Section 15606(c).

*References:* Article XIII, section 1(a), California Constitution. Sections 110 and 401, Revenue and Taxation Code.

**(a) DEFINITION.** For purposes of this regulation, the term “liquefied petroleum gas tank” (LPG tank) means and includes a tank used as a means of storage, delivery, or transfer of liquefied petroleum gas products. The term also includes related equipment, apparatus, gauges and meters, attached to or installed on the tank.

**(b)** An LPG tank shall be considered leased or rented if the purchaser of the liquefied petroleum gas is required to pay: (1) sales or use tax measured by the purchase price or a separately stated lease or rental price of the tank; or (2) installation fees or charges, maintenance fees or charges, rent, or any other separately stated periodic charge on the LPG tank.

**(c)** The ultimate consumer of an LPG tank is determined as follows:

(1) A lessee or renter of an LPG tank, as defined in subdivision (b), is the ultimate consumer of the tank for the purposes of this regulation if the property is leased or rented for an extended but unspecified period or for a term of more than six months.

(2) The owner of the LPG tank is the ultimate consumer of the tank for purposes of this regulation if the property is leased or rented, as defined in subdivision (b), for a period of six months or less.

(3) The owner of the LPG tank is the ultimate consumer of the tank if: (i) the LPG tank is not considered leased or rented pursuant to subdivision (b) of this regulation; and, (ii) the LPG tank is not considered exempt business inventory in accordance with regulation 133.

**(d)** LPG tanks shall be valued in the hands of the ultimate consumer as defined in subdivision (c) of this regulation, and in accordance with regulations 4, 6, 8, and 10; provided, however, that in applying regulation 10, the term “loaned” in reference to tanks and references to the tax situs in subdivisions (c) and (d) shall not be factors in valuing the LPG tanks.

*History:* Adopted February 23, 2000, effective May 28, 2000.