



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 274-3350 • FAX 916 285-0134
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco
SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director
No. 2013/015

January 30, 2013

TO COUNTY ASSESSORS:

PROPERTY TAX RULES 101, 171, 252, AND 1045

An interested parties process was initiated via Letter To Assessors 2012/015 to review Property Tax Rule 101, *Board-Prescribed Exemption Forms*; Rule 171, *Board-Prescribed Forms for Property Statements*; Rule 252, *Content of Assessment Roll*; and Rule 1045, *Administration of the Annual Racehorse Tax*. Following the interested parties process and a public hearing held on November 13, 2012, the rules were approved by the Office of Administrative Law. The rules will become effective on April 1, 2013. A copy is enclosed for your reference.

The primary revisions include:

- Clarifying the property tax forms approval procedures in Rules 101, 171, and 1045 used by county assessors by authorizing county assessors to include county-specific identifying information on the Board-prescribed forms used in their counties without prior approval, specifying the changes to Board-prescribed forms that assessors may only make without prior Board approval, and specifying the limited circumstances under which county assessors may develop and use their own property tax forms.
- Encouraging counties to make their property tax forms available on the Internet.
- Changing the due dates specified by Rules 101, 171, and 1045 for the forms checklist because the prior due dates of October and December were based upon the old March 1 lien date, not the current January 1 lien date.
- Changing Rule 171 to reflect the process of electronically filing property statements as provided in Revenue and Taxation Code section 441.5.
- Changing Rule 252 to reflect (1) the provisions applicable to posting the assessment roll on an Internet website as provided in Government Code section 6254.21, (2) the repeal of Revenue and Taxation Code section 75.30 which previously required notation regarding pending supplemental billings to be placed on the assessment roll, and (3) updating the notation used to denote escape assessments on the assessment roll.
- Generally, updating the reference notes for Rules 101, 171, and 252.

If you have questions regarding these Property Tax Rules, you may contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:sk
Enclosures

Rule 101. BOARD-PRESCRIBED EXEMPTION FORMS.

Authority Cited: Section 15606, Government Code.

Reference: Section 251, 253.5, and 254, Revenue and Taxation Code.

(a) CONTENT AND ARRANGEMENT OF BOARD-PRESCRIBED EXEMPTION FORMS. A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and

(3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

(b) CHECKLIST FOR BOARD-PRESCRIBED EXEMPTION FORMS. Annually, on or before September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:

(1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) Will produce with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; or

(3) Will have no need.

(c) APPROVAL OF BOARD-PRESCRIBED EXEMPTION FORMS. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) COUNTY-DEVELOPED PROPERTY TAX FORMS. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request the board to:

(A) Change questions in and add questions to board-prescribed property tax forms; or

(B) Prescribe new property tax forms when multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(C) Delete questions from board-prescribed property tax forms that they no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) **FORMS POSTED ON THE INTERNET.** Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

History: Adopted January 3, 1967, effective January 4, 1967.
Amended September 12, 1969, effective October 18, 1969.
Amended July 31, 1973, effective September 7, 1973.
Amended November 15, 2007, effective February 22, 2008.
Amended January 14, 2013, effective April 1, 2013.

Rule 171. BOARD-PRESCRIBED REPORT FORMS AND PROPERTY STATEMENTS.

Authority Cited: Section 15606, Government Code.

Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.2, 480.4, 1603, Revenue and Taxation Code.
Section 462.500, Title 18, Public Revenues, California Code of Regulations.

(a) CONTENT AND ARRANGEMENT OF BOARD-PRESCRIBED REPORT FORMS AND PROPERTY STATEMENTS. A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, reduce the font size of text, and shall not change questions in, add question to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements;
and

(3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) CHECKLIST FOR BOARD-PRESCRIBED REPORT FORMS AND PROPERTY STATEMENTS. Annually, on or before September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

(1) Will reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

- (2) Will produce with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; or
- (3) Will have no need.

(c) APPROVAL OF BOARD-PREScribed REPORT FORMS AND PROPERTY STATEMENTS. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a report form or property statement does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.

(d) FILINGS AND ATTACHMENTS TO PROPERTY STATEMENTS. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) TIME FOR FILING REPORT FORMS. The assessor shall not require the filing of report forms prior to the applicable statutory deadline.

(f) ASSESSOR TO FURNISH REPORT FORMS AND PROPERTY STATEMENTS. The pertinent property statement and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement. The pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a report form. The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) COUNTY-DEVELOPED PROPERTY TAX FORMS. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request the board to:

(A) Change questions in and add questions to board-prescribed property tax forms; or

(B) Prescribe new property tax forms when multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(C) Delete questions from board-prescribed property tax forms that they no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) FORMS POSTED ON THE INTERNET. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

History: Adopted October 4, 1967, effective November 4, 1967.

Amended October 8, 1968, effective October 10, 1968.

Amended September 12, 1969, effective October 18, 1969.

Amended July 31, 1973, effective September 6, 1973.

Amended December 9, 1981, effective April 3, 1982.

Amended June 21, 1983, effective October 29, 1983.

Amended November 15, 2007, effective February 22, 2008.

Amended January 14, 2013, effective April 1, 2013.

Rule 252. CONTENT OF ASSESSMENT ROLL.

Authority Cited: Section 15606, Government Code.

Reference: Sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601, Revenue and Taxation Code.
Section 6254.21, Government Code.

(a) MINIMUM CONTENTS OF "MACHINE-PREPARED" OR "ELECTRONIC" LOCAL ROLLS. "Machine-prepared" roll within the meaning of Revenue and Taxation Code section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

(1) The name of the county.

(2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.

(3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by section 218 of the Revenue and Taxation Code has been applied. The assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

(6) The name of the assessee, if known.

(7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general

property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

(9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by section 261, Title 18 (Rule 261) Public Revenues, California Code of Regulations.

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape—(Date).

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

(16) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

(17) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) ASSESSED VALUES OF EXEMPT PROPERTY NOT REQUIRED TO BE ENROLLED. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the assessed values shall not be shown in land or improvement columns or fields.

(c) CONTENT OF EXTENDED ROLL. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

(1) The mailing address, if known, of the assessee.

(2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.

(3) All tax rates and ad valorem special assessment extensions required by law.

(4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.

(5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.

(6) An identification of each tax-defaulted property sold, with the date of sale.

(d) MINIMUM CONTENTS OF LOCAL ROLLS NOT "MACHINE-PREPARED."

(1) The local roll of each county utilizing a roll that is not "machine-prepared" within the meaning of Revenue and Taxation Code section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) ROLL POSTED ON THE INTERNET. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official's residing spouse or child, shall not be posted without first obtaining the written permission of that official.

(f) Nothing in this regulation is meant to alter the intent of section 109.6 of the Revenue and Taxation Code.

History: Adopted September 1, 1967, effective October 7, 1967.
Amended November 20, 1968, effective November 21, 1968.
Amended July 8, 1971, effective August 19, 1971.
Amended July 31, 1973, effective September 6, 1973.
Amended February 5, 1975, effective March 20, 1975.
Amended September 11, 1985, effective December 15, 1985.
Amended March 27, 2002, effective July 11, 2002.
Amended January 14, 2013, effective April 1, 2013.

RULE 1045. ADMINISTRATION OF THE ANNUAL RACEHORSE TAX.

Authority: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code.

Reference: Sections 469, 5701, 5721, 5765, 5768, 5781, and 5790, Revenue and Taxation Code.

(a) CONTENT AND ARRANGEMENT OF BOARD-PREScribed RACEHORSE FORMS. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, reduce the font size of text, and shall not change questions in, add question to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and

(3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) CHECKLIST FOR ANNUAL RACEHORSE TAX FORMS. Annually, on or before September 1, the assessor shall notify the board, on a checklist provided by the board, whether the assessor:

(1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or

(3) Will have no need.

(c) APPROVAL OF ANNUAL RACEHORSE TAX FORMS. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised racehorse form within 30 days of the date of the notice.

(d) COUNTY-DEVELOPED RACEHORSE TAX FORMS. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request the board to:

(A) Change questions in and add questions to board-prescribed property tax forms; or

(B) Prescribe new property tax forms when multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(C) Delete questions from board-prescribed property tax forms that they no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) DISTRIBUTION OF FORMS AND RETENTION OF REPORTS.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns become due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection (f) of this regulation.

(f) AUDITS.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but need not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location .

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Returns or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated or enroll an ad valorem assessment of escaped personal property.

(g) FORMS POSTED ON THE INTERNET. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

(h) Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

History: Adopted October 26, 1972, effective December 1, 1972.
Amended October 18, 1973, effective November 25, 1973.
Amended December 7, 1982, effective March 4, 1983.
Amended December 14, 2004, effective March 19, 2005.
Amended January 14, 2013, effective April 1, 2013.