

State of California
BOARD OF EQUALIZATION
PROPERTY TAX RULES

Division 1. State Board of Equalization-Property Tax
Chapter 2. Assessment
Article 3. Exemptions and Immunities

Rule 131. Fruit and Nut Tree and Grapevine Exemption.

Authority: Section 15606, Government Code.

Reference: Sections 105, 211 and 223, Revenue and Taxation Code.

(a) "ORCHARD" OR VINEYARD DEFINED. An orchard or a vineyard is a systematic planting of fruit and nut-bearing trees or grapevines as opposed to individual plantings for ornamental purposes. The exemption under Section 3(i), Article XIII, California Constitution, applies to such fruit and nut-bearing trees or grapevines planted in orchard or vineyard form. The fruit, nuts, or grapes, until harvested, are growing crops exempt from taxation under Section 3(h), Article XIII, California Constitution.

(b) LENGTH OF EXEMPTION. The exemption applies to those trees in an orchard until four years after the season of planting in orchard form, and those vines in a vineyard until three years after the season of planting in vineyard form. The exemption ceases on the fifth lien date after the season of planting trees in orchard form, and on the fourth lien date after the season of planting vines in vineyard form. For example, fruit trees planted in orchard form in the 1995 planting season become assessable on the 2000 lien date.

(c) NURSERY STOCK. Trees and vines in existence but unplanted in orchard or vineyard form on the lien date are not at that time within the coverage of the constitutional exemption. Fruit trees and nut trees and vines which are personal property are exempt pursuant to section 223 of the Revenue and Taxation Code, if owned by a grower but held for subsequent planting in orchard or vineyard form provided they are planted during the assessment year by the grower. Section 223 has no application to plant nurseries.

(d) REPLACEMENT PLANTINGS. The exemption applies not only to complete new orchard and vineyard plantings, but also to those trees or vines in an orchard or vineyard under the age of four or three years respectively which constitute additions to or replacements of plantings in an orchard or vineyard.

(e) GRAFTING. Where a previously exempt tree or vine has attained commercial production and there is a grafting which causes a re-occurrence of a nonproducing period (except for nurse limbs), this shall be treated as a new planting which creates a new exemption period. Any other grafting or budding or inarching does not create a new exemption period.

(f) DATE PALMS. Date palms are subject to all of the foregoing regulations applicable to fruit and nut trees. From the lien date that they become taxable to their eighth year of age their value shall be included in the assessed value of the land. Thereafter they are assessable and taxable as improvements. (See section 105, Revenue and Taxation Code.)

(g) ENROLLMENT. Fruit and nut-bearing trees and grapevines are not improvements while exempt from taxation. If the assessor places a value for such trees and vines on the roll, the entry shall be made in the personal property column. After the exemption expires their value is to be enrolled in the improvement column. (See section 105, Revenue and Taxation Code.)

(h) STRUCTURAL IMPROVEMENTS. Stakes, trellises, fences, and other structural orchard and vineyard improvements are taxable both during and after the exemption period for trees and vines.

History: Adopted February 9, 1967, effective February 14, 1967.
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Amended March 9, 1967, effective March 10, 1967.
Amended December 17, 1975, effective January 25, 1976.
Amended July 27, 1982, effective February 10, 1983.
Amended June 30, 2004, effective August 23, 2004.