740.0043. **Farm Equipment.** Where a farm is located in more than one county, the assessor for each county involved may make a request that the owner locate the personal property used in the operation, and he or she may make an assessment based on that information. Lacking response to such a request, the assessor may make an estimated assessment based upon any available information, as provided in Revenue and Taxation Code Sections 501 et. seq.

Property Tax Rule 205 should be followed in determining the situs of movable property. Cooperation between assessors will insure against the possibility of double assessment and taxation. C 10/27/86.

STATE OF CALIFORNIA
STATE BOARD OF EQUALIZATION
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(P.O. BOX 1799, SACRAMENTO, CA 95808)
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DOUGLAS D. BELL
Executive Secretary

October 27, 1986

Auditor-Appraiser
County of Tehama
P. O. Box 769
Red Bluff, CA 96080

RE: Situs and Estimated Assessment of Farm Equipment

Dear [illegible]:

In your letter of September 5, 1986, you describe a corporate farmer that is apparently domiciled in Tehama County. Since 1981 the taxpayer has reported no equipment in Tehama despite the fact that your routine inspections show that "the farm does not appear to be devoid of equipment." The taxpayer has been reporting to Butte County and was last audited by Butte in 1983.

Your question to us is whether you can make an estimated assessment for equipment that you believe has situs and shift the burden to the taxpayer to prove otherwise. Our response is yes and we invite your attention to Revenue and Taxation Code section 501.

Escape assessments based on that section must be supported by two key elements. First, for each year in question you should have requested a report of the equipment either via section 441, property statement, or section 470, business records. Secondly, you must base the assessments on some "information in his (the assessor) possession." In this regard I am enclosing a copy of Domenghini v. San Luis Obispo County, 40 Cal.App.3d 689 (1974) which will give you some ideas as to the kinds of information that will support the amount of the estimate.

Prior to levying any escapes, however, I would recommend that you coordinate your information with Butte County to insure that the taxpayer has no basis for a countercharge of double taxation. The 1983 Butte audit would be helpful in this regard. Lastly, I would invite your attention to Property Tax Rule 205, subsection (a) which would control any dispute between Tehama and Butte as to the proper county for taxable

Situs

situs. In this regard Revenue and Taxation Code section 470 provides sufficient authority for the assessor to request the actual location of the equipment throughout each year for the years in question so that you and Butte can apply the rule correctly.

Very truly yours,

James M. Williams

James M. Williams
Tax Counsel

JMW/rz

Enclosure

cc: Mr. Gordon P. Adelman
Mr. Robert Gustafson
Mr. Verne Walton

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