



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
(916) 445-4982

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No. 79/183

October 19, 1979

TO COUNTY ASSESSORS:

LEGISLATIVE ACTION ON VARIOUS EXEMPTIONS

Various exemptions in the Revenue and Taxation Code were to expire after the 1979 lien date. Following is a rundown of their current status:

Section 997, Business Records

Existing law defines certain records of a person employed in a business or profession and provides for their assessment for property taxation based on the value of only the tangible material upon which, or in which, they are recorded, maintained, or stored. This exemption was due to expire after the 1979 lien date.

Assembly Bill 692 (Stats. 1979, Chapter 928) made this exemption permanent.

Section 202.1, Turf Grass

This section defines turf grass as a growing crop eligible for the growing crop exemption. This section was due to expire after the 1979 lien date. No action was taken on this section during the 1979 Legislative session; thus, it is not in effect for 1980.

However, from a practical standpoint, the question is mute, since Assessors' Handbook Section 567, Assessment of Nursery Stock, recommends that turf grass grown for sale constitutes personal property stock-in-trade and for the 1980-81 fiscal year would be eligible for 100-percent exemption as business inventory.

As additional background on Section 202.1, the question of its constitutionality is currently in the courts.

Section 1152, Allocation Formula

Existing law provides for an allocation formula for taxing certificated aircraft. All time spent in this state before the aircraft's first revenue flight and any ground time in excess of 12 consecutive hours is excluded from the allocation.

This exemption expired after the 1979 lien date.

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Section 227, Documented Vessel

Existing law provides for 1-percent assessment of certain documented vessels engaged or employed exclusively in carrying or transporting seven or more people for hire for commercial passenger fishing purposes. This provision expired March 2, 1979. For the 1980 lien date, these "passenger" vessels are assessable at 25 percent.

Section 232, Cargo Containers

Existing law exempts from taxation certain cargo containers principally used for the transportation of cargo by vessels in ocean commerce. Senate Bill 193 (Stats. 1979, Chapter 5) extended this exemption through the 1980 lien date.

We will, of course, notify you should any of the expired exemptions be extended by legislation during January or February of the 1980 session.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:dr