STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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No. 79/195

November 6, 1979

TO COUNTY ASSESSORS:

WELFARE EXEMPTION - ORGANIZATIONS FUNDED BY GOVERNMENT

Assembly Bill 1019, Chapter 1161 (1979), which was signed by the Governor on September 29, 1979, adds Section 214.10 to the Revenue and Taxation Code, which states:

> "For purposes of Section 214, any nonprofit corporation organized and operated for the advancement of education, improvement of social conditions, and improvement of the job opportunities of low-income, unemployed and underemployed citizens of the communities in which they operate, and otherwise meeting all the requirements of Section 214, shall not be disqualified from receiving the welfare exemption solely because such organization receives all its funds from governmental agencies." (Emphasis added.)

This bill is urgency legislation and is applicable to the 1979-80 tax year and thereafter.

As you know, in the past we have denied the welfare exemption to organizations that are solely funded by government. We have reviewed the 1979 filings and have identified several claimants who were denied the exemption solely on this basis; amended findings for these organizations have been mailed. If you are aware of other organizations similarly denied, please notify us so that we may review the claim and issue the appropriate amended finding. As some claimants may not have filed for 1979-80 because they were denied in prior years, we suggest you review your records and notify those organizations you find who may qualify in 1979 under this new law. Those organizations will not receive the exemption for 1978-79 and prior years, but may be eligible for partial exemption for 1979-80 under the late filing provisions of Section 270 of the Revenue and Taxation Code.

If you have any questions regarding this matter, please contact Bill Minor, Vance Price, or Bill Grommet of this division. Their phone number is (916) 445-4982.

Sincerely,

Verne Walton

Verne Walton, Chief
Assessment Standards Division

VW:ebv