



STATE BOARD OF EQUALIZATION

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No. 80/43

March 11, 1980

TO COUNTY ASSESSORS:

COLLEGE EXEMPTION - STUDENT BOOKSTORES

Assembly Bill 1277, Chapter 588 (1979) adds Revenue and Taxation Code Section 203.1 which states:

"Personal property owned or used by a nonprofit corporation operating a student bookstore affiliated with an educational institution, as defined in Section 203, is, for purposes of this section, deemed property belonging to such educational institution and shall be exempt from taxation."

The bill also provides for state reimbursement to counties of revenues lost due to the exemption.

Where the college and bookstore are separate corporations and both will receive the college exemption, care must be taken that each corporation's property (excluding inventory) appear separately on the roll with their own assessed value and exemption as only the bookstore's personal property is subject to subvention under this law. This appears most easily accomplished by having the bookstore corporation file their own personal property statement, entering the values on the roll, then allowing the college exemption.

The assessor's back-up material should contain a statement from the college that the bookstore is in fact a nonprofit corporation affiliated with the college. This may be a separate statement, on the college's claim for exemption, or contained in the bookstore's articles of incorporation.

Do not assess and enroll the bookstore's inventory as it is no longer assessable.

If you have any questions on this matter, please contact Bill Minor, Vance Price, or Bill Grommet of this division; their telephone number is (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

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