



STATE BOARD OF EQUALIZATION

1000 N STREET, SACRAMENTO, CALIFORNIA
P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808

(916) 445-4982

GEORGE R. REILLY
First District, San Francisco
ERNEST J. DRONENBURG, JR.
Second District, San Diego

WILLIAM M. BENNETT
Third District, San Rafael

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

June 22, 1982

No. 82/87

TO COUNTY ASSESSORS:

TAXABLE STATUS OF PERSONAL PROPERTY OWNED BY INSURANCE COMPANIES

In Assessor's Letter No. 82/69 (May 7, 1982), we informed you that an appellate court held that personal property which is owned by an insurance company but used for non-insurance business activities is subject to property tax assessment. This case, Massachusetts Mutual Life Insurance Company v. City and County of San Francisco, 129 Cal. App. 3d 876, is now final; the California Supreme Court denied hearing June 9, 1982.

Appropriate escape assessments should be enrolled for any personal property which was not assessed due to ownership by an insurance company but which was not used to produce taxable gross premiums. Escape assessments for March 1, 1978 must be enrolled by June 30, 1982.

We advise you to enroll the escapes under Section 531 of the Revenue and Taxation Code. Interest under Section 506 should not be applied because the property was previously considered immune. The business inventory exemption is applicable to property which was held for sale or lease.

Please contact Charlie Knudsen or Bruce Dear of this division if you have questions or comments concerning this letter.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:ab
AL-08-1337A