



**STATE BOARD OF EQUALIZATION**

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February 25, 1987

TO COUNTY ASSESSORS:

No. 87/16

EXEMPTION STATUTES AFFECTED BY SENATE BILL 1537  
AND ASSEMBLY BILL 2293

Senate Bill 1537 was signed by the Governor on August 28, 1986. It is Chapter 608, Statutes of 1986, and became effective on January 1, 1987.

As a Board sponsored housekeeping bill, it makes numerous nonsubstantive, technical changes to several sections of the Revenue and Taxation Code. This letter addresses only the amended code sections pertaining to exemptions. The other code sections affected by this bill were addressed in Assessors' Letter 87/09.

The exemption code sections affected, and the changes therein, are as follows:

Section 75.21

In Section 75.21(c)(1) and 75.21(c)(3), the references to Section 72.52 are corrected to 75.52. Also in Section 75.21(c)(3) "...first installment or taxes..." is corrected to "... first installment of taxes..."

In Section 75.21(c)(2) "...80 percent of any tax or penalty or interest thereon..." is changed to "...that portion of tax attributable to 80 percent of the amount of exemption available..." The previous wording implied that 80 percent of a, say, \$100,000 supplemental assessment (or \$80,000) could be cancelled by filing a homeowners' exemption claim even though the homeowners' exemption is limited to \$7,000 of assessed value.

Section 205.5

Subdivision (g) is amended to add "(q)" after "(p)". This reference to subdivision (q) of Section 3 of Article XIII of the Constitution was inadvertently dropped by Chapter 1332, Statutes of 1984.

Section 218

"...his principal place..." is amended to "... his or her principal place..." in subdivision (a), (b), and (d). In subdivision (d), the reference to "subdivision (a) of Section 17265" is changed to "subdivision (h) of Section 61".

The last paragraph of Section 218, referring to litigation which has been resolved, has been deleted.

February 25, 1987

Section 227

The first sentence has been changed from "...employed exclusively:" to "...employed exclusively in either of the following:". The reference in the last paragraph to Government Code Section 16113, which was repealed in 1984, has been deleted.

Section 278

The first paragraph, referring to a procedure applicable only to the 1976-77 fiscal year, has been deleted.

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Assembly Bill 2293, which is Chapter 113 of the statutes of 1986, became law effective for claims filed for the 1987-88 fiscal year. It amends Sections 213.7, 214.8, and 231 of the Revenue and Taxation Code. The amendment provides that either a letter from the Franchise Tax Board or the Internal Revenue Service, not both, would be required for certain entities to qualify for the welfare exemption.

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If you have any questions regarding the above, please contact the Exemption Section of this division at (916) 445-4982.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

VW:wpc  
AL-18H-0042M