



STATE OF CALIFORNIA

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No. 92/68

October 16, 1992

TO COUNTY ASSESSORS:

REPORTING OF LEASED PROPERTY OWNED BY A BANK
OR FINANCIAL INSTITUTION

Chapter 523 of the Statutes of 1992 (Senate Bill 1683, L. Greene) was filed with the Secretary of State on August 18, 1992. Among other things, Chapter 523 amends Section 441 of the Revenue and Taxation Code to require a bank or other financial institution to report all property leased to an entity other than a bank or financial institution. As amended, Section 441, subdivision (f), reads:

"In the case of property owned by a bank or other financial institution and leased to an entity other than a bank or other financial institution, the property statement shall be submitted by the owner bank or other financial institution."

The effective date of the amendment is January 1, 1993.

As you know, Section 235 of the Revenue and Taxation Code provides that leased personal property owned by a bank or financial institution is assessable to the lessee when said property is leased on the lien date.

The discovery of personal property owned by a bank or financial institution and leased to an entity other than a bank or financial institution has been difficult in the past due to non-reporting. The above change should clarify reporting responsibility.

If you have any questions, please contact our Business Property Technical Services Unit at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

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