



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064  
916 445-4982 • FAX 916 323-8765  
www.boe.ca.gov

BETTY T. YEE  
Acting Member  
First District, San Francisco

BILL LEONARD  
Second District, Sacramento/Ontario

CLAUDE PARRISH  
Third District, Long Beach

JOHN CHIANG  
Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

RAMON J. HIRSIG  
Executive Director

June 28, 2006

TO COUNTY ASSESSORS:

No. 2006/024

DISABLED VETERANS' EXEMPTION INCREASES FOR 2007

Revenue and Taxation Code section 205.5 provides that the exemption amount and the household income limit for the disabled veterans' exemption shall be compounded annually by an inflation factor.<sup>1</sup> Specifically, subdivisions (g) and (h) of section 205.5 provide that, for each assessment year, the inflation factor shall be the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index (CCPI) for all items, as determined by the California Department of Industrial Relations.

Information from the Department of Industrial Relations shows that the CCPI increased from 199.1 in February 2005 to 207.8 in February 2006. Rounded to the nearest one-thousandth of 1 percent, this is an increase of 4.370 percent (factor of 1.04370).

Applying the factor to the 2006 exemption amounts of \$103,107/\$154,661 results in **2007** exemption amounts of **\$107,613/\$161,420**.

Applying this increase to the 2006 household income limit of \$46,302 results in a **2007** household income limit of **\$48,325**.

For your information, the exemption amounts and household income limits for prior years are enclosed. The disabled veterans' exemption forms (BOE-261-G and BOE-261-GNT) have been updated and will be mailed with the other Board-prescribed forms. Please call our Exemptions Unit at 916-445-3524 if you have any questions regarding this exemption.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:grs  
Enclosure

<sup>1</sup> Inflation indexing for the income limit commenced on January 1, 2002. Inflation indexing for the exemption amounts commenced on January 1, 2006 (SB 764, Chapter 544, Statutes of 2004).

## **DISABLED VETERANS' EXEMPTION**

### **EXEMPTION AMOUNTS AND HOUSEHOLD INCOME LIMITS FOR PRIOR YEARS**

| <b>Lien Date</b> | <b>Factor</b> | <b>Exemption *</b> |           | <b>Income Limit</b> |
|------------------|---------------|--------------------|-----------|---------------------|
| 2006             | 1.03107       | \$103,107          | \$154,661 | \$46,302            |
| 2005             | 1.01365       | \$100,000          | \$150,000 | \$44,907            |
| 2004             | 1.03476       | ---                | ---       | \$44,302            |
| 2003             | 1.02392       | ---                | ---       | \$42,814            |
| 2002             | 1.04535       | ---                | ---       | \$41,814            |
| 2001             | ---           | ---                | ---       | \$40,000            |

\* Inflation indexing for the exemption amounts commenced on January 1, 2006 (SB 764, Chapter 544, Statutes of 2004).