



STATE OF CALIFORNIA

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PROPERTY AND SPECIAL TAXES DEPARTMENT  
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No. 2010/056

October 28, 2010

TO COUNTY ASSESSORS:

DISABLED VETERANS' EXEMPTION

Effective January 1, 2011, Assembly Bill 2314 (Stats. 2010, ch. 150) amends section 276.1 of the Revenue and Taxation Code relating to the granting of the disabled veterans' exemption on a retroactive basis once a claimant receives a qualifying disability rating from the United States Department of Veterans Affairs (USDVA). This bill increases the minimum timeframe for which a claimant may file a claim from 30 days to 90 days after receipt of a disability rating. The bill also deletes the requirement that the claimant must have had a disability rating application pending with the USDVA to receive the exemption retroactively to the date of qualification.

To receive the disabled veterans' exemption, an appropriate claim must be filed by specified deadlines. A claim filed after the deadline may still be granted, but the exemption will be reduced to either 90 percent or 85 percent of the exemption amount, depending upon the filing date. Section 276.1 provides for an exception to the reduction in exemption amount by allowing the full exemption amount if a claim was not filed by the specified deadlines because the taxpayer had not yet received a disability rating from the USDVA.

As amended, Section 276.1 specifies that property taxes that would have been exempt under a timely and appropriate claim, but for which the claimant did not yet have a disability rating from the USDVA, shall be canceled or refunded, including any interest and penalties, if the claimant files a claim the **later** of 90 days of receipt of the disability rating from the USDVA or on or before the next following lien date. Prior to the change in law, a person receiving a disability rating in the month of December only had 30 days to file a claim and receive the full amount of the exemption on a retroactive basis. In granting the exemption retroactively to the effective date of the disability, any cancellation of taxes are subject to the provisions for cancellations and any refunds issued for prior tax years are subject to the statute of limitations periods on refunds.

Section 276.1 was also amended to delete a requirement that the claimant have had an application pending with the USDVA. Thus, any proof or substantiation that an application was "pending" is no longer required.

A copy of amended section 276.1 is enclosed with changes denoted in strikeout/underscore format. If you have any questions regarding the disabled veterans' property tax exemption, please contact our Assessment Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:mw  
Enclosure

*Section 276.1 of the Revenue and Taxation Code is amended to read (effective January 1, 2011):*

276.1. (a) For property for which the disabled veterans' exemption described in Section 205.5 would have been available but ~~for the taxpayer's failure to receive a timely the taxpayer had not yet received~~ a disability rating from the United States Department of Veterans Affairs (USDVA), there shall be canceled or refunded the amount of any taxes, including any interest and penalties thereon, subject to the provisions regarding cancellations in Article 1 (commencing with Section 4985) of Chapter 4 and the limitations periods on refunds as described in Article 1 (commencing with Section 5096) of Chapter 5, levied on that portion of the assessed value of the property that would have been exempt under a timely and appropriate claim, provided that the claimant ~~meets both of the following conditions:~~

~~(1) The claimant had an application pending with the USDVA for a disability rating and subsequently received a rating that qualifies the claimant for the disabled veterans' exemption described in Section 205.5.~~

~~(2) The claimant subsequently files an appropriate claim for the disabled veterans' exemption described in Section 205.5 the later of 30 90 days of receipt of the disability rating from the USDVA or on or before the next following lien date.~~

(b) Subject to the provisions regarding cancellations and the limitations periods on refunds, the disabled veterans' exemption shall apply beginning on the effective date, as determined by the USDVA, of a disability rating that qualifies the claimant for the exemption.