

**CRIS K. O'NEALL – COMMENTS ON DRAFT OF AH-506**

Page 49, lines 13-26:

**NOTIFYING THE ASSESSEE OF AUDIT FINDINGS**

~~The county assessor is required to notify the assessee, in writing, of the audit findings with respect to data that would alter any previously enrolled assessment. Rule 305.3 requires the county assessor to notify the assessee in writing if the audit discloses property subject to an escape assessment. [Text at this point moved to footnote]~~

~~Therefore,~~ **If an audit would alter any previously enrolled assessment, and** results ~~with in~~ an escape assessment or **a net refund due to an** over-assessment for any particular year under the scope of the audit, **Rule 305.3 requires** the county assessor ~~must to~~ notify the assessee of the audit findings in writing.<sup>1</sup> **If an audit indicates “no change” so that no escape assessment or refund is warranted, the assessor must also notify the assessee.** ~~If the audit discloses property subject to escape assessment for any particular year,~~ **The county assessor must notify the assessee of the audit findings in writing, even if an escape assessment is not enrolled due to an offset of an over-assessment in that year or if the audit reveals that any property was under-assessed.** If the audit discloses no change for any particular year, the ~~county~~ assessor must **still** provide the assessee with ~~the~~ audit findings because the assessee has a right to inspect or copy audit documents.<sup>2</sup>

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<sup>1</sup> Section 469(c)(1); Rule 191

<sup>2</sup> Section 408(e)(1) permits the assessee or **the assessee's** representative “to inspect or copy all information, documents, and records, including auditor’s narrations and workpapers....”

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Page 53, lines 12-21:

As discussed in Chapter 5, if the auditor discovers property subject to an escape assessment, that fact must be disclosed to the assessee. If the audit discloses property subject to an escape assessment but an escape assessment is not enrolled due to an offset of an over-assessment, the assessee has the right to file an assessment appeal for the original assessment of all property of the assessee at that location for the year that property was subject to an escape assessment. If the county assessor does not present audit work papers to the assessee illustrating that the audit disclosed property subject to an escape assessment, the assessee may present such evidence to the appeals board of the existence and disclosure of property of material value subject to escape assessment. Based on this information the board may determine whether it has jurisdiction to hear the matter. **Similarly, if the audit discloses that a refund is due because of an over-assessment, the assessee has the right to file an assessment appeal for the original assessment of all property of the assessee at that location for the year that the property was over-assessed.**

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Page 54, line 17 to page 55, line 3:

**NOTICE FOR FILING AN APPLICATION**

If the results from an audit disclose property subject to an escape assessment **or that a refund is due because of an over-assessment**, an *Application for Changed Assessment* must be filed with the clerk within 60 days of the date the notice is mailed to the assessee.

The following notice should appear on the written audit findings provided to the assessee:

**NOTICE OF RIGHT TO APPEAL: CALIF. PROP. TAX RULE 305.3**

If the results of the audit indicate that you were under-assessed, you may file an appeal with the Assessment Appeals Board by contacting them for an application. The appeal must be filed no later than 60 days after the date of mailing of the tax bill(s) that you will receive. If the results of the audit indicate a net refund is due, or no escape assessment is warranted, the appeal must be filed no later than 60 days after the date of mailing of this notice. If you have any questions about your right to appeal, you should contact the Assessment Appeals Board or the Assessor's Office.

If the county assessor fails to provide the substance of the notice set forth above, the assessee may refer to and rely upon the auditor's narrations and workpapers as the notice for filing an appeal with the Assessment Appeals Board as described below. ~~(Notice is discussed in the earlier section titled *Notice of Enrollment of Escape Assessment*.)~~ ~~The mailing date of the notice is the date printed on the notice or the postmark on the notice, whichever is later.~~

The notice necessary for filing an application is dependent on whether the county assessor makes an escape assessment and whether the escape assessment is enrolled, **or whether the assessor notifies the assessee of no change (due to offsetting increases and decreases) or an over-assessment requiring a refund.**

- If an escape assessment is enrolled by counties of the first class or counties that have adopted a resolution pursuant to section 1605(c), the notice is the tax bill. A formal appeal must be filed within 60 days of the date of mailing printed on the tax bill or the postmark date on the envelope in which the tax bill was mailed, whichever is later.
- If an escape assessment is enrolled by counties that are not counties of the first class and not a county that adopted a resolution pursuant to section 1605(c), the notice of escape assessment pursuant to section 534 shall serve as the notice. A formal appeal must be 31 filed within 60 days after the date of the notice or the postmark date on the envelope in which the notice was mailed, whichever is later.

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- If an escape assessment is not enrolled, the notice shall be the audit results showing the property subject to an escape assessment. A formal appeal must be filed within 60 days after the date noted on the audit results or the postmark date on the envelope in which the audit results were mailed, whichever is later.
- If an escape assessment is not enrolled because the audit disclosed an over-assessment for which a refund is due, the notice shall be the audit results showing the property which was over-assessed. A formal appeal must be filed within 60 days after the date noted on the audit results or the postmark date on the envelope in which the audit results were mailed, whichever is later.

For additional information on assessment appeals, see the Board's *Assessment Appeals Manual*.



COUNTY OF LOS ANGELES - RICK AUERBACH, ASSESSOR  
SUMMARY OF AUDIT FINDINGS

COMPANY NUMBER	Audit Year 2009
ASSEMBLE WITH	1 of 1

ROUTING | SITUS | ACCT FORM | AUDIT | GEO | AREA | BCC | TYPE OF BUSINESS | TRA | ASSESSOR'S ID NUMBER

NAME \_\_\_\_\_ LOCATION OF PROPERTY \_\_\_\_\_  
MAILING ADDRESS \_\_\_\_\_

Tangible Property	2009			2008		
	REPORTED COST	AUDITED COST	MARKET DIFFERENCE	REPORTED COST	AUDITED COST	MARKET DIFFERENCE
1. SUPPLIES						
2. MACH & EQP						
3. MACH & EQP - DISPENSERS						
4. MACH & EQP - CAR WASH						
5. COMPUTERS						
6. COMPUTERS - ELEC EQP						
7. TANKS						
8. SIGNS						
9. OTHER PROPERTY - TOTAL						
10. LESS: ASSESSOR'S ESTIMATE						
<b>Totals</b>			<b>ND</b>			<b>ND</b>

Tangible Property	2007			2006		
	REPORTED COST	AUDITED COST	MARKET DIFFERENCE	REPORTED COST	AUDITED COST	MARKET DIFFERENCE
1. SUPPLIES						
2. MACH & EQP						
3. MACH & EQP - DISPENSERS						
4. MACH & EQP - CAR WASH						
5. COMPUTERS						
6. COMPUTERS - ELEC EQP						
7. TANKS						
8. SIGNS						
9. OTHER PROPERTY - TOTAL						
10. LESS: ASSESSOR'S ESTIMATE						
<b>Totals</b>			<b>ND</b>			<b>ND</b>

SUMMARY OF FINDINGS

Year	FIXTURES VALUE	PERSONAL PROPERTY VALUE	TOTAL VALUE	10% PY (X)	INTEREST (X)			25% PY (X)	WAIVER EXP. DATE
					ADD	ADD AFTER 10-Dec	DO NOT ADD		
2009			ND						
2008			ND						
2007			ND						
2006			ND						

A SEPARATE NOTICE OF PROPOSED ESCAPE ASSESSMENT (ASSR-57.1) WILL BE MAILED TO YOU

NOTICE OF RIGHT TO APPEAL: CALIF. PROP. TAX RULE 305.3

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Auditor \_\_\_\_\_ Date \_\_\_\_\_ Supv \_\_\_\_\_ Date \_\_\_\_\_

Comments: No Deficiency Audit

Discussed with: \_\_\_\_\_  
Phone # \_\_\_\_\_

ASSESSEE COPY

A510.3 (Rev 06/08)

(213) 974-7737