



# California State Board of Equalization

## FACT SHEET



The State Board of Equalization (BOE) was created in 1879 by a constitutional amendment and charged with the responsibility for ensuring that county property tax assessment practices were equal and uniform throughout the state. The BOE is responsible for property tax programs, the Alcoholic Beverage Tax, the Tax on Insurers, and the Private Railroad Car Tax.

### MAJOR BOE FUNCTIONS

#### PROPERTY TAXES

*(\$85.3 billion in property tax levies)*

The BOE has a critical role in California's property tax system. The BOE is responsible for assessing property owned or used by railroads and privately-held public utilities and for ensuring statewide uniformity in the assessment of properties by the 58 County Assessors. Properties assessed by the BOE and properties assessed locally by County Assessors comprise California's property tax base.

In fiscal year 2021-22, the net statewide assessed value was \$7.8 trillion, resulting in \$85.3 billion of property tax levies and directly funding schools and local governments.

#### State-Assessed Properties

*(\$133.9 billion in value, \$2.16 billion in local property tax levies)*

The BOE is responsible for the appraisal and audit of state-assessed public utility companies and railroad companies. For the 2022-23 roll, the assessed value for state-assessed properties was \$133.9 billion, which produced \$2.16 billion in local property tax revenues. The BOE hears appeals of state assessments.

#### County-Assessed Properties

*(\$7.6 trillion in value, \$83.1 billion in general property tax levies)*

The BOE is responsible for oversight of California's 58 County Assessors. For fiscal year 2021-22, county assessed property values reached \$7.6 trillion, and county-assessed properties produced an estimated \$83.1 billion in local property tax revenues.

Whereas the County Assessor determines the value of locally assessed property for taxation purposes, the BOE has a constitutional responsibility to promote uniformity in property assessment throughout the state. Uniformity is important both within and among counties because:

- While the state does not rely on property taxes as a source of revenue, there are revenue implications for the state if there are any incorrect assessments of real property. State law annually guarantees California schools a minimum amount of funding each year, and the state is responsible for backfilling shortfalls in education funding under Proposition 98.
- Assessments at more or less than full taxable value result in a misallocation of revenues.

#### BOARD OF EQUALIZATION MEMBERS

**Ted Gaines**  
First District

**Sally J. Lieber**  
Second District

**Antonio Vazquez**  
Third District

**Mike Schaefer**  
Fourth District

**Malia M. Cohen**  
State Controller

**Yvette M. Stowers**  
Executive Director

Standards for proper assessment practices statewide are established and compliance measured by:

- Adoption of property tax rules and regulations to govern County Assessors and local boards of equalization.
- Issuance of the Assessors' Handbook, a series of manuals on various assessment and appraisal topics, including the annual publication of building costs and equipment factors.
- Issuing advisory letters, referred to as Letters to Assessors, providing BOE's interpretation of rules, laws, court decisions, or general information relating to property tax assessment and exemptions.
- Responding to individual inquiries from County Assessors, taxpayers, legislators, and the business community on property tax matters.
- Prescribing forms for use by County Assessors statewide in the assessment and exemption of property.
- Certifying persons performing the duties of an appraiser or an assessment analyst for property tax purposes, including newly elected County Assessors, providing training on appraisal related topics, and monitoring continuing education requirements.
- Conducting assessment practices surveys (audits) of County Assessors' offices to determine the adequacy of the procedures and practices the County Assessor uses in valuing property and to evaluate the County Assessor's performance of mandated duties.

The BOE has several key roles in property tax exemptions and exclusions from reassessment, aiding County Assessors by:

- Acting as a statewide clearinghouse to prevent multiple claims for the homeowners' exemption and disabled veterans' exemption to ensure a person is only granted exemption on one residence in the state.
- Monitoring claims for exclusion from reassessment under parent-child transfers, grandparent-grandchild exclusion, persons aged 55 and older, and disabled persons to ensure statutory limits are not exceeded.
- Co-administering the welfare exemption and veterans' organization exemption with County Assessors. The BOE issues an Organizational Clearance Certificate to qualifying organizations. The BOE hears appeals for denials of certificate claims.

The BOE assists County Assessors in discovering re-assessable events that have not been captured by a county's own discovery system by:

- Gathering and disseminating information to County Assessors on legal entities that have experienced a change in control or change in ownership not involving the transfer of title to property.

- Processing statement of change in control and ownership filings reporting information on transfers of corporate voting stock, membership interests, or partnership interests where a directly or indirectly acquired entity holds California real property.

The BOE maintains the tax-rate area mapping for each geographic area in the state with a different distribution of revenues among taxing jurisdictions. County Auditors use these tax-rate areas to allocate property tax revenues to the appropriate taxing jurisdictions. The tax-rate areas are used to allocate the value of the state-assessed properties to their appropriate taxing jurisdictions.

## OTHER TAXES

### Alcoholic Beverage Tax *(\$429 million to the state's General Fund)*

The Alcoholic Beverage Tax is a per-gallon excise tax collected on the sale, distribution, or importation of alcoholic beverages in California by parties licensed with the Department of Alcoholic Beverage Control. As part of an interagency agreement, California Department of Tax and Fee Administration (CDTFA) collects the tax and administers some of the program's functions on behalf of the BOE. The BOE hears all appeals for claims for refund and petitions for redetermination.

### Tax on Insurers *(\$2.9 billion to the state's General Fund)*

The Tax on Insurers is measured by gross premiums received by insurance companies upon their business done in California. Tax assessments are issued against insurance companies based on the data they report on their insurance tax returns. As part of an interagency agreement, CDTFA issues deficiency assessments refunds and receives appeals on behalf of the BOE. The BOE hears all appeals for claims for refund and petitions for redetermination.

### Private Railroad Car Tax *(\$9.8 million to the state's General Fund)*

The Private Railroad Car Tax is a tax retained by the state and is in lieu of all local ad valorem property taxes. Private railcar owners pay the private railroad car tax on railcars operated in California. The BOE makes annual assessments of privately-owned railroad cars operating within the state, and levies and collects the tax. For 2022-23, the assessed value for private railroad cars totaled \$845.4 million. The private railroad car tax produced an estimated \$9.8 million in property tax revenues for the state's General Fund.

## FOR ADDITIONAL INFORMATION

Visit the State Board of Equalization's website at [www.boe.ca.gov](http://www.boe.ca.gov).

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