



STATE BOARD OF EQUALIZATION

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Controller, Sacramento
DOUGLAS D. BELL
Executive Secretary
No. 81/50

April 10, 1981

TO COUNTY ASSESSORS:

FINANCIAL CORPORATIONS

We have received numerous inquiries from assessors regarding the "financial corporation" status of various firms.

The Franchise Tax Board (FTB) has assisted in resolving the inquiries in the past, but we have been informed that the FTB does not have sufficient staff time to continue such assistance for frequent individual inquiries. No other source for determining the status of financial corporations is readily available.

We propose a two-step program to establish the correct status of financial corporations. The first step involves self-declaration by the taxpayer as to whether or not the firm qualifies for personal property exemption as a financial corporation within the meaning of Section 23182 of the Revenue and Taxation Code. A sample affidavit for this purpose is attached. The affidavit is not a Board-prescribed form, so you may alter it as you see fit.

If the taxpayer signs the form, do not assess personal property. The taxpayer is not required to report personal property but is required to report real property items if you send a business property statement.

The second step involves verification for entities that claimed exemption from personal property as financial corporations. Your audit-appraisal staff can ascertain the correct status of these firms during the course of routine audits.

In cases where audit is unlikely or where the status cannot be confirmed during the audit, this Board will verify the status on request. Once each year, probably in July or August, we will invite county assessors to transmit a list of firms whose financial corporation

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status should be verified. We will work with the FTB to perform the verification and notify assessors of the results. We will not confirm the status of any firm except during that annual verification period.

If you have questions or suggestions regarding the verification program or the affidavit, please contact Charlie Knudsen or Mike Shannon of this division. Their telephone number is (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:hlo
Enclosures
A1-01-0358A

INSTRUCTIONS

A. General Instructions

The purpose of this affidavit is to inform the assessor that the assessee is a "financial corporation" within the meaning of the Revenue and Taxation Code. The franchise tax imposed on general corporations in California is specified in Section 23151 of the Code, and Section 23186 of the Code specifies the franchise tax rate for banks and financial corporations.

If the firm is not subject to the franchise tax rate specified in Section 23186 of the Revenue and Taxation Code, the firm is not a "financial corporation," and you should not complete this form.

If the firm is subject to the franchise tax rate specified in Section 23186, complete this form and submit it to the assessor. The assessor will then classify the firm as a financial corporation and will not assess the firm for personal property.

B. Affidavit Instructions

Correct the name and mailing address if necessary.

1. Type or print the name of the person who is signing the affidavit.
2. Type or print the title of the person who is signing the affidavit.
3. Type or print the full name of the corporation which qualifies as a financial institution.
4. Type or print the corporate number issued by the California Secretary of State. If this number has not been issued, type or print the equivalent number issued by the Franchise Tax Board.
5. If other information is attached, check the "Yes" box. For example, if the financial corporation owns personal property in this county under another name, you should attach a statement with relevant details.
6. Type or print the name, address, and telephone number (including area code) of the person to contact during normal business hours for additional information.

Assessor of _____ County, California
For assistance, telephone _____

AFFIDAVIT FOR FINANCIAL CORPORATION EXEMPTION

Affidavit for exemption of personal property for financial corporations taxed under the provisions of Section 23186 of the Revenue and Taxation Code.

(See also Sections 23182 and 23183 of the Revenue and Taxation Code.)

To receive full exemption from property tax assessment of personal property, file this affidavit with the Assessor by _____.

Make necessary corrections to the name and mailing address.

NAME
STREET
CITY
STATE and ZIP CODE

1. _____ states:
(Name of Affiant)

2. That as _____
(Title)

3. of the _____,
(Corporate Name)

that the above-named corporation is a financial corporation and is subject to the tax rates specified by Section 23186 of the Revenue and Taxation Code and is therefore exempt from personal property taxation as provided by Section 23182 of the Revenue and Taxation Code.

4. The Corporation Number issued by the California Secretary of State for the above-named financial corporation is: _____

5. Yes No
 indicate whether additional information is attached to this affidavit.

6. Person to contact during normal business hours for additional information.

Name _____
Address _____

I declare under penalty of perjury that the foregoing affidavit and any accompanying schedules and statements is true, correct, and complete to the best of my knowledge and belief.

Telephone Number () _____

(Signature of Person making claim) (Date)

This statement is subject to audit	This statement is not a public document. The information declared will be held secret by the assessor
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