



**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA  
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

(916) 445-4982

GEORGE R. REILLY  
First District, San Francisco  
ERNEST J. DRONENBURG, JR.  
Second District, San Diego  
WILLIAM M. BENNETT  
Third District, San Rafael  
RICHARD NEVINS  
Fourth District, Pasadena  
KENNETH CORY  
Controller, Sacramento  
DOUGLAS D. BELL  
Executive Secretary  
No.81/54

April 17, 1981

TO COUNTY ASSESSORS:

APPLICATION OF EXEMPTIONS TO MOBILEHOMES

We have received several inquiries regarding the application of exemptions to mobilehomes, both those subject to property taxes and to vehicle licenses.

The attached chart attempts to show proper application of the homeowners' exemption, renters' credit, senior citizens' property tax assistance, and the postponement program. The chart is suggested as a general guide. Specific questions regarding the renters' credit and the senior citizens property tax assistance should be directed to the Franchise Tax Board, property tax postponement questions should be directed to the State Controller's Office, and disabled veterans' exemptions against the license fee should be directed to the Department of Motor Vehicles through June, 1981, and to the Department of Housing and Community Development thereafter.

In addition to the chart, the following discussion covers a few problem areas related to the taxability of mobilehomes.

Soldiers and Sailors Relief Act

The soldiers and sailors civil relief act of 1940 provides that a person in the military service may declare that the situs of his personal property is in his home state, thus rendering the property nontaxable in California. In U.S. vs. Shelby County, 385 F Supp. 1187, the court held that the act applied to mobilehomes. Additionally, in California vs. Buzard (1966) 382 U.S. 386, 15L ed. 2d 436, the United States Supreme Court held that the California vehicle license fee was a personal property tax and its application to a non-resident military person's vehicle was prohibited.

However, the court did hold that the registration fee was payable. Thus, we have the situation where the Department of Motor Vehicles apparently could require annual registration of a nonresident military person's mobilehome but could not collect the license fee.

Since Revenue and Taxation Code Sections 5801 and 10759.5 make reference only to the license fee being 120 days or more delinquent, non-resident military person's mobilehomes technically would not come under the property tax. They are delinquent only in the vehicle

April 17, 1981

registration. The difficulty is that many of these mobilehomes will be included in DMV's delinquency lists. In these instances the assessor should verify that the military person qualified as a nonresident during the entire period the mobilehome was delinquent. Where they qualified during the period, the delinquency notice from DMV should be ignored and the mobilehome would not be subject to property tax. However, the assessor should continue to verify the owner's status each year. If they do not qualify as nonresidents, the delinquency fee should be collected and the mobilehome enrolled as of the next lien date.

#### Federal Enclaves

Prior to September 19, 1939, the State of California failed to reserve the right to tax private property located on lands acquired by the United States. Therefore, mobilehomes located on these lands would be exempt even though they may be reported as delinquent by DMV.

When the assessor verifies that a delinquent mobilehome is located on such lands, the delinquent fees are not collectable, nor is the mobilehome subject to property taxation. However, the assessor should periodically verify that the mobilehome has not been moved outside the federal enclave. If the mobilehome was first sold prior to July 1, 1980, it becomes subject to license fees and registration upon removal from the enclave, and failure to obtain a license within 120 days would subject the mobilehome to property taxes. If the mobilehome was first sold after June 30, 1980, it is subject to property tax upon removal from the enclave.

#### Mobilehomes on Indian Reservations

A mobilehome located within the boundaries of an Indian reservation and owned by a member of the governing tribe is exempt from taxation. For clarification, Indian reservations are lands held in trust by the United States for the Indian tribes.

Although such mobilehomes may appear on DMV's delinquency list, they are not taxable, nor are the delinquency fees collectable. Once removed from the reservation or sold to a non-Indian, a mobilehome first sold before July 1, 1980, would become subject to license fees, and to property tax in the event the fees become delinquent by 120 days or more. Mobilehomes first sold after June 30, 1980 would be subject to property tax after removal from the reservation or sale to a person who is not a member of the governing tribe.

#### Renters' Credit or Homeowners' Exemption

A person who owns a mobilehome subject to property tax on rented land is eligible for either the homeowners' exemption or the renters' credit, but not both. No doubt, a number of mobilehome owners will file for the homeowners' exemption this year (1981) and file for the renters' credit next year when making out their 1981 income tax returns. Such double filings may necessitate roll corrections and

<u>Description</u>	<u>Homeowners' Exemption</u>	<u>Renters' Credit</u>	<u>Senior Citizens' Property Tax Assistance 1/</u>	<u>Senior Citizens' Property Tax Postponement</u>	<u>Disabled Veterans' Exemption</u>
Mobilehome-licensed on rented land.	NO	YES	YES-can claim as either renter or homeowner.	YES	Applies to the license fee.
Mobilehome-licensed on owned land.	YES-on land only.	NO	YES-either on land or on license fee. Can claim as either renter or homeowner	YES-land only	Applies to license fee and property tax on land.
Mobilehome subject to property tax on rented land.	YES-but only if renters' credit is not received.	YES-but only if homeowners' exemption is not received	YES	NO	Applies to property tax on mobilehome.
Mobilehome subject to property tax not on foundation system, but on owned land. <u>2/</u>	YES-on mobile-home and land.	NO	YES-on mobile-home and land.	YES-land only	Applies to property tax on mobilehome and land.
Mobilehome on foundation system on owners land. <u>2/</u>	YES-on mobile-home and land.	NO	YES-on-mobile-home and land.	YES	Applies to property tax on mobilehome and land.

1/ Includes assistance for blind or disabled without regard to age.  
2/ "Foundation system" means an approved foundation system as defined by Section 18551 of the Health and Safety Code.

April 17, 1981

other time-consuming activities. This problem is not entirely avoidable, but we suggest you inform mobilehome owners who have such a choice that the renters' credit is \$137 for a married couple, head of household, or surviving spouse. This information may encourage such people to forego the homeowners' exemption, which is worth approximately \$80, so they can receive the renters' credit.

The prohibition against receiving both the homeowners' exemption and the renters' credit is contained in Section 17053.5 of the Revenue and Taxation Code, last amended by AB 1151, Chapter 1207, Statutes of 1979. The "Mobilehome Property Taxation Laws" booklet which was distributed at our mobilehome workshops contains a former version of 17053.5. If your staff is using that booklet, we suggest you inform them of the correct version.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

VW:hlo  
Enclosure  
AL-01-0358A