



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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September 8, 1993

No. 93/53

TO COUNTY ASSESSORS:

HOMEOWNERS' EXEMPTION - EFFECT OF SUSPENSION
OF RENTERS' CREDIT

As part of the State's budget compromise, the renters' credit administered by the Franchise Tax Board has been suspended for 1993 and 1994. As a result, we have received inquiries from counties and taxpayers regarding eligibility for the homeowners' (property tax) exemption for owned dwellings on leased land. The majority of circumstances concern owned mobilehomes in mobilehome parks.

For several years, the renters' credit amounted to \$60 for a single person and \$137 for a married couple, while the homeowners' exemption reduced property taxes by approximately \$70. Persons living in an owner-occupied residence on leased land have had the option of claiming the homeowners' exemption on their property taxes or the renters' credit on their state income taxes. Married couples usually opted for the renters' credit as it provided the larger benefit.

Because of the suspension of the renters' credit, many couples now wish to claim the homeowners' exemption. As the Legislature made no changes to Revenue and Taxation Code Section 275, the late filing provisions of that section apply as usual: claims filed April 16 - December 10, 1993 can receive exemption of 80 percent of assessed value or \$5,600, whichever is less. Claims filed after December 10, 1993 should be denied exemption for 1993-94 and treated as timely filings for 1994-95.

In order to minimize problems that may occur, you may want to notify the local news media of the above. You also might consider sending a letter to mobilehome park owners and, if you can identify owner-occupied dwellings on leased land, send claim forms and a letter to the owners.

If you have any questions regarding the above, please contact our Exemption Unit at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:bs
VL-31-0105N