

**CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE -
WELFARE EXEMPTION - LIMITED LIABILITY COMPANY**STATE OF CALIFORNIA
BOARD OF EQUALIZATION
www.boe.ca.gov**CHECKLIST FOR CLAIM** **THE FOLLOWING DOCUMENTS MUST BE SUBMITTED WITH THE CLAIM FORM.
IF ALL DOCUMENTS ARE NOT SUBMITTED, YOUR CLAIM WILL BE RETURNED.** **ARTICLES OF ORGANIZATION**

Copy of the articles of organization and each amendment, if any, certified by the Secretary of State.

 STATEMENT OF INFORMATION

Copy of the LLC's initial Statement of Information, and each bi-annual filing, if any, certified by the Secretary of State.

 OPERATING AGREEMENT

Copy of the operating agreement and each amendment, if any, including signatures of all LLC members.

 TAX-EXEMPT STATUS LETTER

Copy of letter(s) evidencing exemption from federal income tax (section 501(c)(3) of the Internal Revenue Code), and/or a copy of the letter evidencing exemption from state franchise or income tax (section 23701d of the Revenue and Taxation Code.) If your Internal Revenue Service tax-exempt status letter has an advanced ruling period that has expired, please include an updated IRS status letter. If the LLC does not have a tax-exempt status letter, the LLC may meet this requirement through the tax-exempt status of its nonprofit members.

If the tax-exempt letter is a group ruling letter, submit documentation evidencing that your organization falls under the group ruling letter. **FINANCIAL STATEMENTS**

Copy of operating statement (income and expenses), balance sheet (assets and liabilities), and notes to financial statements for the calendar or fiscal year immediately preceding the claim year and each subsequent year to date. For example, if filing for fiscal year 2006/07 in 2008, financial statements for calendar or fiscal years ending in 2005, 2006 and 2007 must be submitted. Check registers and/or tax return forms 990 are not acceptable substitutes for financial statements. If the LLC does not have financial statements, submit financial statements for each of the LLC members.

 ACTIVITIES

Documentation supporting/describing the activities of the organization. For example, pamphlets, brochures, and web pages are acceptable forms of documentation.

FOR ADDITIONAL INFORMATION

Additional information on OCC filing requirements is available at:

<http://www.boe.ca.gov/proptaxes/welfarelimitliability.htm>If the organization is a Veterans' Organization, submit claim form BOE-279, *Claim for Organizational Clearance Certificate – Veterans' Organization Exemption*.If the organization is a nonprofit organization, submit claim form BOE-277, *Claim for Organizational Clearance Certificate – Welfare Exemption*.

**INSTRUCTIONS FOR FILING A CLAIM
FOR AN ORGANIZATIONAL CLEARANCE CERTIFICATE -
WELFARE EXEMPTION - LIMITED LIABILITY COMPANY**
(Refer to section 254.6 of the Revenue and Taxation Code)



**STATE OF CALIFORNIA
BOARD OF EQUALIZATION**
www.boe.ca.gov

ORGANIZATIONAL CLEARANCE CERTIFICATE

An organization that intends to claim the welfare exemption, shall file with the State Board of Equalization (Board), County-Assessed Properties Division's Exemption Section, at the address listed on page 3 of this claim package, a claim for an *Organizational Clearance Certificate*. The Board shall review each claim to determine whether the organization meets the requirements of section 214 and shall issue a certificate to a claimant that meets these requirements. The Assessor may not approve a property tax exemption claim until the claimant has been issued a valid *Organizational Clearance Certificate*. If a welfare exemption claim is filed timely with the Assessor, the claim will be considered timely filed even if the claimant has not yet received the *Organizational Clearance Certificate* from the Board. Information on the welfare exemption is on the Board's website (www.boe.ca.gov) and may be accessed by selecting 1) Property Tax, and 2) Welfare and Veterans' Organization Exemptions. If you have any questions, you may contact the Board's Exemption Section at 916-274-3430.

FILING OF CLAIM

FISCAL YEAR OF CLAIM

The initial fiscal year for which the *Organizational Clearance Certificate* is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a claim for an *Organizational Clearance Certificate* in February 2008 would enter "2008-2009" on the claim; a "2007-2008" entry on a claim filed in February 2008 would signify that a claim was being filed for the preceding fiscal year. If the initial fiscal year for which the *Organizational Clearance Certificate* is sought is for a previous year, only one claim form is required. It is not necessary to file a separate claim for each fiscal year.

IDENTIFICATION OF MEMBERS

List each member of the Limited Liability Company. For each member, identify whether the entity is a nonprofit organization or government entity. For nonprofit organization members, identify the *Organizational Clearance Certificate* (OCC) number. If the nonprofit organization does not have an OCC, the nonprofit organization must file claim form BOE-277, Claim for *Organizational Clearance Certificate – Welfare Exemption*. Property Tax Rule 136, *Limited Liability Companies as Qualifying Organizations for the Welfare Exemption*, provides the definition of qualifying member. The Rule is available at the Board's website, www.boe.ca.gov, and may be accessed by selecting 1) *Property Tax*, and 2) *Property Tax Rules*.

1. and 2. Articles of Organization

Attach a copy of the Articles of Organization (or the equivalent legally recognized formative document under the laws of the jurisdiction where the entity is formed) and any amendments thereto certified by the Secretary of State.

3. and 4. Statement of Information

Attach a copy of the Statement of Information and each bi-annual filing, if any, certified by the Secretary of State.

5. and 6. Operating Agreement

Attach a copy of the operating agreement and each amendment, if any, including signatures of all LLC members.

7. Tax-Exempt Status Letter

If the Limited Liability Company has a letter evidencing the exemption from federal income tax (section 501(c)(3) of the Internal Revenue Code and/or a letter evidencing the exemption from state franchise or income tax (section 23701d of the California Revenue and Taxation Code), the LLC must **attach a copy**. If the LLC does not have a tax-exempt status letter, the LLC may meet this requirement through the tax-exempt status of its nonprofit members.

8. Financial Statements

An organization must **attach a copy** of certified financial statements. In submitting the financial statements (balance sheet and operating statement and notes) of the organization, the complete financial transactions of the organization should be included. If the nature of any item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended. Please submit financial statements for each year beginning with the year immediately preceding the first fiscal year that exemption is claimed. If the LLC does not have financial statements, the LLC must submit financial statements for each member.

Other

9. If the answer is yes, please note that Revenue and Taxation Code section 214, welfare exemption statute, provides, in part, that "The owner is not organized or operated for profit." (See section 214(a)(1))

10. If the answer is yes, please note that Revenue and Taxation Code section 214, welfare exemption statute, provides, in part, that "No part of the net earnings of the owner inures to the benefit of any private shareholder or individual." (See section 214(a)(2))

11. If the answer is yes, give title of position (do not list names of position holders) and weekly or annual salary, commissions, or percentage payments.

12. If the answer is yes, list the type of obligations (such as bonds, notes, etc.), the amounts of the obligations, the payment terms, and names of creditors. Use a separate schedule if necessary.

13. through 15. Activities

An organization **must attach** documentation supporting/describing the activities of the organization. Please identify the purpose of your organization. In addition, please check the box that best describes the activities of your organization and state fully all activities in which the organization is engaged. If necessary, you may provide this information on a supplemental attachment.

If the corporation is a managing general partner of a Limited Partnership, please submit form BOE-277-L1, *Claim for Supplemental Clearance Certificate for Limited Partnership, Low-Income Housing Property – Welfare Exemption*, for each limited partnership.

CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE - WELFARE EXEMPTION - LIMITED LIABILITY COMPANY

This form must be completed and filed with the Board of Equalization, County-Assessed Properties Division, PO Box 942879, Sacramento, CA 94279-0064



**STATE OF CALIFORNIA
BOARD OF EQUALIZATION**
www.boe.ca.gov

NAME OF ORGANIZATION	WEBSITE ADDRESS (if any)
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MAILING ADDRESS (number and street)

CITY, STATE, ZIP CODE

LLC NUMBER	FISCAL YEAR OF CLAIM (see instructions) 20 ____ - 20 ____
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IDENTIFICATION OF MEMBERS *If additional space is needed, attach a list to this claim form.*

MEMBER NAME	OCC NUMBER (IF NONPROFIT)	CLASSIFICATION OF MEMBER	
		NONPROFIT	GOVERNMENT ENTITY
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

ARTICLES OF ORGANIZATION

1. Date of organization (Date filed with Secretary of State): _____
2. Dates of all amendments to the articles of organization, if any: _____
ATTACH A COPY OF THE ARTICLES OF ORGANIZATION, AND EACH AMENDMENT, CERTIFIED BY THE SECRETARY OF STATE.

STATEMENT OF INFORMATION

3. Date of Statement of Information: _____
4. Dates of all bi-annual filings, if any: _____
ATTACH A COPY OF THE STATEMENT OF INFORMATION, AND EACH FILING, CERTIFIED BY THE SECRETARY OF STATE.

OPERATING AGREEMENT

5. Date of operating agreement: _____
6. Dates of all amendments to the operating agreement, if any: _____
ATTACH A COPY OF THE OPERATING AGREEMENT, AND EACH AMENDMENT, SIGNED BY ALL LLC MEMBERS.

TAX-EXEMPT STATUS LETTER

7. IS THE ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX UNDER THE PROVISIONS OF SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND/OR EXEMPT FROM STATE FRANCHISE OR INCOME TAX UNDER THE PROVISIONS OF SECTION 23701d OF THE REVENUE AND TAXATION CODE?
 YES NO If **YES**, attach a copy of the letter evidencing the exemption.
 If the LLC does not have a tax-exempt status letter, it may meet this requirement through the tax-exempt status of its nonprofit organization members.

FINANCIAL STATEMENTS

8. DOES THE ORGANIZATION HAVE CERTIFIED/AUDITED FINANCIAL STATEMENTS? YES NO
 Attach copy of the financial statements for the calendar or fiscal year immediately preceding the claim year, and for each subsequent year to date. If the LLC does not have financial statements, attach statements for each member for the same time periods.
 If **NOT CERTIFIED**, please explain: _____

OTHER

9. IS THE OWNER ORGANIZED OR OPERATED FOR PROFIT? YES NO
10. DOES ANY PART OF THE NET EARNINGS OF THE OWNER INURE TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL? YES NO
11. IS THE SALARY PAID TO ANY INDIVIDUAL IN EXCESS OF \$1,500 WEEKLY OR \$78,000 ANNUALLY? YES NO
 If **YES**, list each of the top five positions with their salaries:

POSITION	SALARY

12. DOES THE ORGANIZATION HAVE ANY OUTSTANDING BONDS, DEBENTURES, PROMISSORY NOTES, OR OTHER EVIDENCE OF INDEBTEDNESS ISSUED FOR ITS OVERALL OPERATION? YES NO
 If **YES**, attach a statement which provides specific details as to the type and terms of such indebtedness and to whom owing.

ACTIVITIES

13. IS THIS ORGANIZATION A TITLE HOLDING COMPANY? YES NO If **YES**, complete (a) and (b) before proceeding to question 14.

(a) If **YES**, is the property operated by a member of the LLC? YES NO

(b) Does the recorded grant deed evidence the LLC as the owner of the property? YES NO

If either (a) or (b) is **NO**, please explain:

14. IS THIS ORGANIZATION ORGANIZED AND OPERATED FOR CHARITABLE, RELIGIOUS, HOSPITAL, AND/OR SCIENTIFIC PURPOSES? YES NO If **YES**, please identify the purpose of the organization and provide additional information as requested below. If necessary, this information may be provided on a supplemental attachment.

CHARITABLE PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

SOCIAL SERVICES

LOW-INCOME HOUSING AND/OR ELDERLY HANDICAPPED HOUSING

MANAGING GENERAL PARTNER OF LIMITED PARTNERSHIP THAT OWNS AND OPERATES LOW-INCOME HOUSING PROPERTY. Submit a Claim for Supplemental Clearance Certificate, BOE-277-L1, for each limited partnership property.

OTHER

RELIGIOUS PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

CHURCH, OR CHURCH AND SCHOOL

HOUSING OF RELIGIOUS PERSONNEL

OTHER

HOSPITAL PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

If the operating revenues, exclusive of gifts, endowments and grants-in-aid, exceed operating expenses by an amount equivalent to 10% of those operating expenses, describe the use(s) of the surplus revenue:

HOSPITAL

MULTI-SPECIALTY CLINIC

OTHER

SCIENTIFIC PURPOSE: CHECK THE BOX THAT BEST DESCRIBES THE ORGANIZATION'S ACTIVITIES

CHARTERED BY THE CONGRESS OF THE UNITED STATES. OBJECTIVE IS TO ENCOURAGE OR CONDUCT SCIENTIFIC INVESTIGATION, RESEARCH AND DISCOVERY FOR THE BENEFIT OF THE COMMUNITY AT LARGE

MEDICAL RESEARCH

OTHER

15. STATE FULLY ALL ACTIVITIES IN WHICH THE ORGANIZATION IS ENGAGED. INCLUDE ALL ACTIVITIES SINCE JANUARY 1 OF PRIOR YEAR, AND PROVIDE DOCUMENTATION DESCRIBING THE ACTIVITIES.

Whom should we contact for additional information?

NAME	DAYTIME TELEPHONE ()	E-MAIL ADDRESS
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CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

NAME OF CLAIMANT	TITLE	DATE
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SIGNATURE OF CLAIMANT

