



STATE BOARD OF EQUALIZATION  
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September 4, 2007

RAMON J. HIRSIG  
Executive Director

TO INTERESTED PARTIES:

WELFARE EXEMPTION—COMMUNITY BENEFIT TEST

One of the considerations for qualifying for the Welfare Exemption in California is the *community benefit test*. It has been Board staff's longstanding policy that a nonprofit corporation would not qualify for the exemption if substantially all of its activities benefit persons outside of California.

Recently, the elected Members of the Board directed staff to review the policy regarding the *community benefit test* for the Welfare Exemption. At a July 17, 2007 meeting, the Members heard discussions regarding the feasibility of expanding the *community benefit test* to include nonprofit organizations who own property in California but whose charitable activities solely benefit persons outside of California. A discussion paper for the July 17 meeting can be viewed on the Board's website at [www.boe.ca.gov/meetings/pdf/ItemL071707.pdf](http://www.boe.ca.gov/meetings/pdf/ItemL071707.pdf).

Staff will hold an interested parties meeting on September 19, 2007 to hear discussions regarding the pros and cons of expanding the *community benefit test* for the Welfare Exemption. We invite your participation. The meeting will be held at the Board's headquarters in Sacramento, 450 N Street, Room 122. The meeting will begin at 9:30 a.m. and should be concluded by noon.

Please contact Ms. Sherrie Kinkle at [sherrie.kinkle@boe.ca.gov](mailto:sherrie.kinkle@boe.ca.gov) or at 916-322-2921 if you plan to attend the interested parties meeting. We look forward to your participation in this process.

Sincerely,

/s/Dean R. Kinnee

Dean R. Kinnee, Chief  
County-Assessed Properties Division

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