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PROPERTY TAXES DEPARTMENT  
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October 24, 2001

No. 2001/069

TO COUNTY ASSESSORS:

EXEMPTION OF EMPLOYEE-OWNED HAND TOOLS

Revenue and Taxation Code section 241 exempts from property taxation the first twenty thousand dollars (\$20,000) of hand tools owned by an employee who is required, as a condition of employment, to supply his or her own hand tools. "Hand tools" means hand-held implements and equipment, including hand-held power tools, of which any one may be transported to and from the workplace and which are necessary for the ordinary and regular performance of the employee's work. The exemption also extends to appropriate storage containers for the implements and equipment.

Effective August 9, 2001, Chapter 161 of the Statutes of 2001 (Assembly Bill 136, Corbett) increases the hand tool exemption from \$20,000 to \$50,000. The \$50,000 exemption level applies to the 2002 and subsequent lien dates. If a qualified employee owns hand tools with a full cash value in excess of \$50,000, the excess is assessable.

If you have any questions regarding this exemption, please contact our Business Property Technical Services Unit at (916) 445-4982.

Sincerely,

Richard C. Johnson  
Deputy Director  
Property Taxes Department

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