



STATE OF CALIFORNIA

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April 8, 2015

CYNTHIA BRIDGES
Executive Director

No. 2015/020

TO COUNTY ASSESSORS AND CLERKS OF THE BOARD:

DISABLED VETERANS' EXEMPTION REFUNDS

Recently, we have received numerous inquiries regarding Senate Bill 1113¹ which amended section 5097 of the Revenue and Taxation Code² to extend the statute of limitations period from four years to eight years on property tax refunds related to the Disabled Veterans' Exemption.

The refund provisions of section 5097 were amended to account for the fact that in some cases it can take many years for the United States Department of Veterans Affairs to make a decision regarding a 100 percent disability rating, and even more time when such a decision is appealed. In the past, the limitations on refunds of property taxes paid precluded some veterans from receiving the benefit as of their effective disability date because of a delay with the United States Department of Veterans Affairs.

There may be other reasons why an eligible claimant may not have filed for the exemption when first becoming eligible. For example, the veteran may not have known that such an exemption was available and did not become aware of it until many years after receiving a 100 percent disability rating. Furthermore, the amended refund provisions allow a benefit for claimants already receiving the exemption. For example, if a veteran who qualified for the exemption for six prior years but was allowed the exemption for only four years under the previous statute of limitation provisions, a claim for refund may now be filed with the county board of supervisors (BOS) for the additional two years. Accordingly, under the new legislation any qualified disabled veteran claimant may receive the refund up to eight years from the date the taxes were paid, regardless of the reason the claim was not timely filed.

Generally, when a retroactive exemption is granted, as in the case of many Disabled Veterans' Exemption claims, the assessor makes roll corrections to the prior rolls and transmits the information to the county auditor or other applicable department to process. This results in an automatic refund payment, and the claimant need not file a separate claim for refund with the BOS. However, section 4831 pertaining to roll corrections allows the assessor to correct the roll *only* if the correction is made within four years after the making of the assessment.

Thus, a difference in the refund process now exists between claimants for the Disabled Veterans' Exemption seeking refunds for four years (or less) and those seeking refunds for more than four years. For any years beyond the four years for which the assessor has authority to correct the

¹ Stats. 2014, ch. 656, effective January 1, 2015.

² All further statutory references are to the California Revenue and Taxation Code, unless otherwise specified.

roll, the claimant must also file a claim for refund with the BOS, or other agency to which the BOS has designated such duties.

Although the claimant may be required to file a refund claim with the BOS for certain years, the assessor continues to have a role in the process as he or she will determine the amount of eligible exemption which ultimately determines the amount of taxes paid and the amount eligible for refund. In many cases, only a portion of the taxes paid are subject to a refund based on facts such as ownership interest, eligibility date, and the property's assessed value. The assessor must determine and communicate to the BOS the amount of exemption available so that a new net assessed value and the corresponding property taxes can be determined.

It can be confusing and laborious for a claimant to determine how to file a claim for a refund. The county refund claim form is not easily found on most county websites, if available at all, and may not be consistently available from the BOS as some counties delegate the refund function to the auditor-controller, treasurer-tax collector, or another department. Furthermore, the information requested on a number of counties' current refund claim forms and their formats may not be helpful to the claimant in filing a refund claim for the Disabled Veterans' Exemption. For example, most claim forms ask for the dollar amount of taxes to be refunded, and the disabled veteran claimant often will not have that information. Additionally, some counties require any claim for refunds over \$500 to be notarized, which can place an undue burden on disabled veteran claimants. We recommend this requirement be waived for Disabled Veterans' Exemption claimants.

The administrative process for claiming refunds differs from county to county. Thus, assessors and clerks of the BOS, or other participating agencies, should develop procedures and an appropriate claim form to make the refund process easier for the Disabled Veterans' Exemption claimants and for county staff. Enclosed is a sample worksheet that assessors may want to incorporate into their procedures to assist claimants with relevant information required on a claim for a refund for the Disabled Veterans' Exemption. The claimant would attach the worksheet when submitting the claim for a refund to the BOS.

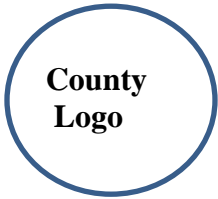
If you have questions regarding the above, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee
Deputy Director
Property Tax Department

DRK:mw
Enclosure



**DISABLED VETERANS' EXEMPTION
WORKSHEET FOR CLAIM FOR REFUND OF PROPERTY TAX PAYMENT(S)**

To be used by the Assessor to facilitate the Board of Supervisors' processing of a claim for a refund. This worksheet should accompany the Claim for a Refund filed with the Board of Supervisors.

Property tax refunds may be made to qualified disabled veterans' exemption claimants if a claim for a refund is filed within eight years after making the payment sought to be refunded.¹

Retroactive exemptions are generally available via a roll correction made by the Assessor; however, statutes allow roll corrections only if made within four years of making the assessment. Thus, a claim for refund must be filed with the Clerk of the Board of Supervisors (or other designated agency) if the claimant is eligible for the exemption beyond four years.

A claim for a refund is required when a claimant: (1) is filing form BOE-261-G, *Claim for Disabled Veterans' Property Tax Exemption*, for the first time and seeking an exemption for more than four years ago; or (2) has an existing exemption but only received refunds to the extent previously allowed and now seeks refunds for additional prior years.

Name				Date Claim for a Refund Filed			
Property Address				Date Property Acquired/Occupied			
Parcel/Bill #				Effective Date of Rating			
Ownership Interest			Phone / email	Effective Date of Exemption			
Tax Year	Assessed Value	Eligible Exemption⁽¹⁾⁽²⁾		Tax Rate	Eligible Refund Amount⁽³⁾		

- (1) Low-income claimants must provide certification that their household income did not exceed the indexed low-income limit for the year in which they are claiming refund.
- (2) The lower of assessed value or exemption (basic or low-income) multiplied by the percentage of the year eligible, with consideration of the interest in property owned.
- (3) Product of eligible exemption multiplied by the tax rate.

¹Revenue and Taxation Code section 5097(a)(4), effective January 1, 2015.