

Introduced by Senator AckermanFebruary 23, 2007

An act to amend Section 830 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 955, as introduced, Ackerman. Property taxation: property statement: penalty.

The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of specified types of entities. Existing property tax law provides for the valuation, as a unit, of properties of a state assessee that are operated as a unit as a primary function of that assessee. Existing law requires a state assessee, upon a request by the board, to file a property statement that includes a description of the assessee's development of the unit value of operating property. Existing law imposes a penalty of 10% of the assessee's unit value if the assessee does not timely report on its property statement a description of its development of the unit value of operating property.

This bill would instead specify that the penalty for a failure to timely report on a property statement the development of the unit value of operating property is 10% of the assessee's unit value multiplied by the ratio that the replacement cost of the property not timely reported bears to the replacement cost of all taxable property in the unit.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 830 of the Revenue and Taxation Code
2 is amended to read:

3 830. (a) If the request of the board is mailed before the lien
4 date as defined in Section 722, the property statement shall be filed
5 with the board by March 1, and shall be in such detail as the board
6 may prescribe.

7 (b) If the request of the board is mailed on or after the first day
8 of January following the lien date, the property statement shall be
9 filed with the board within 60 days after the request is mailed.

10 (c) Except as hereinafter provided, if any person fails to file the
11 property statement, in whole or in part, by March 1, or by that later
12 date to which the filing period is extended pursuant to subdivision
13 (b) or Section 830.1, a penalty shall be added to the full value of
14 the assessment of so much of the property as is not timely reported
15 as follows:

16 (1) For any part of the property statement relating to the
17 development of the unit value of operating property, the penalty
18 shall be 10 percent of the unit value *multiplied by the ratio that*
19 *the replacement cost of the property not timely reported bears to*
20 *the replacement cost of all taxable property in the unit.*

21 (2) For any part of the property statement, not relating to the
22 development of the unit value of operating property, that lists or
23 describes specific operating property, the penalty shall be 10
24 percent of the allocated value of the property, which penalty shall
25 be added to the unit value.

26 (3) For any part of the property statement that lists or describes
27 specific nonunitary property, the penalty shall be 10 percent of the
28 value of the property.

29 (4) If the failure to timely file a property statement is due to a
30 fraudulent or willful attempt to evade the tax, a penalty of 25
31 percent of the assessed value of the estimated assessment shall be
32 added to the assessment. A willful failure to file a property
33 statement as required by Article 5 (commencing with Section 826)
34 shall be deemed to be a willful attempt to evade the tax.

35 (5) No penalty added pursuant to paragraph (1), (2), (3), or (4)
36 may exceed twenty million dollars (\$20,000,000) of full value. In
37 addition, if a penalty has been added pursuant to paragraph (1),
38 (2), or (3), if a claim for refund seeking the recovery of that penalty

1 has been filed by the state assessee contesting the penalty within
2 three months of the due date of the second installment, and the
3 state assessee initiates an action in the superior court within one
4 year of the filing of the claim for refund, the state assessee is not
5 subject to any further penalties on subsequent assessments for
6 failure to comply with any subsequent request seeking information
7 or data with respect to the same issue as set forth in the claim for
8 refund filed within the time limits set forth above, until the
9 assessment year after a final decision of the court, and then only
10 with respect to a failure to comply with a request for information
11 with respect to assessments after a final decision of the court. For
12 purposes of this paragraph, “same issue” means the type of
13 information that is the subject of the disputed request for
14 information.

15 (d) Any person who subscribes to the board’s tax rate area
16 change service and who receives a change mailed between April
17 1 and May 1, shall file a corrected statement no later than May 30
18 with respect to those parts of the property statement that are
19 affected by the change.

20 If that person receives a change mailed after May 1, a corrected
21 statement shall be filed no later than the 60th day following the
22 mailing of that change.

23 (e) Penalties incurred for filings received after June 30 may be
24 included with the assessments for the succeeding fiscal year.

25 (f) If the assessee establishes to the satisfaction of the board
26 that the failure to file the property statement or any of its parts
27 within the time required by this section was due to reasonable
28 cause and occurred notwithstanding the exercise of ordinary care
29 and the absence of willful neglect, the board shall order the penalty
30 abated, provided the assessee has filed with the board written
31 application for abatement of the penalty within the time prescribed
32 by law for the filing of applications for assessment reductions.