

Assembly Bill No. 2562

CHAPTER 922

An act to add Sections 276.2 and 276.3 to, and to repeal and add Section 276 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 29, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2562, Brewer. Property taxation: disabled veterans' exemption.

Existing property tax law provides, pursuant to the authorization of the California Constitution, for the exemption from property taxation of specified amounts of the assessed value of the home of a disabled veteran, or a veteran's spouse in the case in which the person has, as a result of a service-connected disease or injury, died while on active duty in military service. Existing property tax law generally requires a claiming affidavit for the disabled veterans' exemption to be filed no later than the February 15 following the relevant lien date. It also provides for partial exemptions, each applicable as provided and contingent upon an affidavit being no later than the December 10 following the lien date, of the lesser of either certain amounts of assessed value or 80% of the full value of the real property to which the exemption is to be applied.

This bill would revise and recast current partial exemption provisions to require the cancellation or refund of either 90% or 85% of those taxes, including any interest and penalties, levied on that portion of the property's assessed value that would have been exempted under a timely exemption claim, depending upon whether a claim is filed either within a specified period ending with the December 10 following the lien date or after that period. This bill would also make technical, nonsubstantive changes with respect to the application of the exemption to the 2nd installment of taxes on the secured property tax roll.

This bill would, in the case in which the subject real property was acquired after the property tax lien date, also require the cancellation or refund of those taxes levied on the full exemption amount, provided an appropriate affidavit is filed on or before the next property tax lien date.

This bill would also provide for the termination of a disabled veterans' exemption upon the subject property being transferred to a 3rd party that is not eligible for that exemption.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

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

SECTION 1. Section 276 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 276 is added to the Revenue and Taxation Code, to read:

276. (a) Except as otherwise provided by subdivision (b), for property for which the disabled veterans' exemption described in Section 205.5 was available, but for which a timely claim was not filed, a partial exemption shall be applied in accordance with whichever of the following is applicable:

(1) Ninety percent of any tax, including any interest or penalty thereon, levied upon that portion of the assessed value of the property that would have been exempt under a timely and appropriate claim shall be canceled or refunded, provided that an appropriate claim for exemption is filed after 5 p.m. on February 15 of the calendar year in which the fiscal year begins but on or before the following December 10.

(2) If an appropriate claim for exemption is filed after the time period specified in paragraph (1), 85 percent of that portion of any tax, including any interest or penalty thereon, that was levied upon that portion of the assessed value of the property that would have been exempt under a timely and appropriate claim, shall be canceled or refunded.

(b) If a late-filed claim for the sixty thousand dollar (\$60,000) exemption or the one hundred fifty thousand dollar (\$150,000) exemption is filed in conjunction with a timely filed claim for the forty thousand dollar (\$40,000) or one hundred thousand dollar (\$100,000) exemption, the amount of any exemption allowed under the late-filed claim under subdivision (a) shall be determined on the basis of that portion of the exemption amount, otherwise available under subdivision (a), that exceeds forty thousand dollars (\$40,000) or one hundred thousand dollars (\$100,000), as applicable.

(c) For those claims filed pursuant to subdivision (a) after November 15, the exemption under that subdivision may be applied to the second installment. If that exemption is so applied, the first installment is still delinquent on December 10, and is subject to



delinquent penalties provided for in this division if that installment is not timely paid. A refund shall be made to the taxpayer upon a claim submitted to the auditor if the exemption is applied to the second installment and either of the following is true:

- (1) Both installments are paid on or before December 10.
- (2) The reduction in taxes resulting from the exemption exceeds the amount of taxes due on the second installment.

SEC. 3. Section 276.2 is added to the Revenue and Taxation Code, to read:

276.2. If the disabled veterans' exemption as described in Section 205.5 would have been available for a property, but for that property being acquired by a person eligible for that exemption only after the lien date, and an appropriate application for that exemption is filed on or before the lien date in the calendar year next following the calendar year in which the property was acquired, there shall be canceled or refunded the amount of any taxes, including any interest or penalties thereon, levied on that portion of the assessed value of the property that would have been exempt under a timely and appropriate application.

SEC. 4. Section 276.3 is added to the Revenue and Taxation Code, to read:

276.3. In the event that property receiving a disabled veterans' exemption as described in Section 205.5 is sold or otherwise transferred to a person who is not eligible for that exemption, the exemption shall cease to apply on the date of that sale or transfer.

SEC. 5. Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 6. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

