

Introduced by Senator Leslie

January 25, 2000

An act to add Sections 276.1, 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.

LEGISLATIVE COUNSEL'S DIGEST

SB 1394, as introduced, Leslie. 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 an 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, if the exemption would have been available but for the claimant not having received a disability rating from the United States Department of Veterans Affairs, allow an exemption in the amount that would have been allowed had a proper affidavit for that exemption been filed on the



effective date of that disability rating. This bill would condition this exemption upon an affidavit being filed prior to the next following lien date.

This bill would also 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 application, depending upon whether an affidavit is filed either before, or on or after, the December 10 following the lien date.

This bill would, in the case in which the subject real property was only acquired after the lien date, also require the cancellation or refund of those taxes levied on either the full exemption amount or a prorated amount, depending upon whether an affidavit is filed either prior to the fiscal year beginning in the same year as the lien date, or after the beginning of that fiscal year.

This bill would also provide for the termination of a disabled veterans' exemption upon that 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.

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

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

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- 2 Code is repealed.



1 ~~276. (a) A claimant for the disabled veterans'~~
2 ~~property tax exemption may qualify for a partial~~
3 ~~exemption if the claimant fails to file the required~~
4 ~~affidavit with the assessor by 5 p.m. on February 15 of the~~
5 ~~calendar year in which the fiscal year begins, but files the~~
6 ~~claim on or before the following December 10. Late-filed~~
7 ~~claims for the forty thousand dollar (\$40,000) exemption~~
8 ~~provided in Section 205.5 shall receive the lesser of~~
9 ~~thirty-two thousand dollars (\$32,000) or 80 percent of the~~
10 ~~full value of the dwelling. Late-filed claims for the sixty~~
11 ~~thousand dollar (\$60,000) exemption provided in Section~~
12 ~~205.5, when filed in conjunction with late-filed claims for~~
13 ~~the forty thousand dollar (\$40,000) exemption, shall~~
14 ~~receive the lesser of forty-eight thousand dollars~~
15 ~~(\$48,000) or 80 percent of the full value of the dwelling.~~
16 ~~Late-filed claims for the sixty thousand dollar (\$60,000)~~
17 ~~exemption, when filed in conjunction with timely filed~~
18 ~~claims for the forty thousand dollar (\$40,000) exemption,~~
19 ~~shall receive the lesser of fifty-six thousand dollars~~
20 ~~(\$56,000) or forty thousand dollars (\$40,000) plus 80~~
21 ~~percent of the full value of the dwelling over forty~~
22 ~~thousand dollars (\$40,000). Late-filed claims for the one~~
23 ~~hundred thousand dollar (\$100,000) exemption provided~~
24 ~~in Section 205.5 shall receive the lesser of eighty thousand~~
25 ~~dollars (\$80,000) or 80 percent of the full value of the~~
26 ~~dwelling. Late-filed claims for the one hundred fifty~~
27 ~~thousand dollar (\$150,000) exemption provided in~~
28 ~~Section 205.5, when filed in conjunction with late-filed~~
29 ~~claims for the one hundred thousand dollar (\$100,000)~~
30 ~~exemption, shall receive the lesser of one hundred twenty~~
31 ~~thousand dollars (\$120,000) or 80 percent of the full value~~
32 ~~of the dwelling. Commencing with the 1990-91~~
33 ~~assessment year, late-filed claims for the one hundred~~
34 ~~fifty thousand dollar (\$150,000) exemption, when filed in~~
35 ~~conjunction with timely filed claims for the one hundred~~
36 ~~thousand dollar (\$100,000) exemption, shall receive the~~
37 ~~lesser of one hundred forty thousand dollars (\$140,000) or~~
38 ~~one hundred thousand dollars (\$100,000) plus 80 percent~~
39 ~~of the full value of the dwelling over one hundred~~
40 ~~thousand dollars (\$100,000).~~



1 ~~(b) On those claims filed pursuant to subdivision (a)~~
2 ~~after November 15, this exemption may be applied to the~~
3 ~~second installment, and if applied to the second~~
4 ~~installment, the first installment will still become~~
5 ~~delinquent on December 10, and the delinquent penalty~~
6 ~~provided for in this division will attach if the tax amount~~
7 ~~due is not paid.~~

8 ~~If this exemption is applied to the second installment~~
9 ~~and if both installments are paid on or before December~~
10 ~~10, or if the reduction in taxes from this exemption~~
11 ~~exceeds the amount of taxes due on the second~~
12 ~~installment, a refund shall be made to the taxpayer upon~~
13 ~~a claim submitted by the taxpayer to the auditor.~~

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

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

22 (1) Ninety percent of any tax, including any interest or
23 penalty thereon, levied upon that portion of the assessed
24 value of the property that would have been exempt
25 under a timely and appropriate application shall be
26 canceled or refunded, provided that an appropriate
27 application for exemption is filed prior to December 10
28 of the calendar year in which a timely application was not
29 filed.

30 (2) If an appropriate application for exemption is filed
31 on or after the date specified in paragraph (1), 85 percent
32 of any tax, including any interest or penalty thereon,
33 levied upon that portion of the assessed value of the
34 property that would have been exempt under a timely
35 and appropriate application shall be canceled or
36 refunded. A cancellation or refund may be granted under
37 this paragraph only with respect to those taxes that
38 attached as a lien on the lien date in 1999 or a later
39 calendar year.



1 (b) If a late-filed claim for the sixty thousand dollar
2 (\$60,000) exemption or the one hundred fifty thousand
3 dollar (\$150,000) exemption is filed in conjunction with
4 a timely filed claim for the forty thousand dollar (\$40,000)
5 or one hundred thousand dollar (\$100,000) exemption,
6 the amount of any exemption allowed under the late-filed
7 claim under subdivision (a) shall be determined on the
8 basis of that portion of the exemption amount, otherwise
9 available under subdivision (a), that exceeds forty
10 thousand dollars (\$40,000) or one hundred thousand
11 dollars (\$100,000), as applicable.

12 SEC. 3. Section 276.1 is added to the Revenue and
13 Taxation Code, to read:

14 276.1. For property for which the disabled veterans'
15 exemption described in Section 205.5 would have been
16 available but for the taxpayer's failure to receive a
17 disability rating from the United States Department of
18 Veterans Affairs (USDVA), an exemption shall apply in
19 that amount that would have been allowed if the claimant
20 had filed an appropriate application for the exemption on
21 the effective date of his or her disability rating from the
22 USDVA, provided that the claimant files an appropriate
23 application for the exemption on or before the next
24 following lien date.

25 SEC. 4. Section 276.2 is added to the Revenue and
26 Taxation Code, to read:

27 276.2. If the disabled veterans' exemption as
28 described in Section 205.5 would have been available for
29 a property, but for that property being acquired by a
30 person eligible for that exemption only after the lien date,
31 and an appropriate application for that exemption is filed
32 on or before the lien date in the calendar year next
33 following the calendar year in which the property was
34 acquired, an exemption shall be allowed in accordance
35 with whichever of the following is applicable:

36 (a) If the property was acquired after the lien date, but
37 prior to the fiscal year commencing in that same calendar
38 year, there shall be cancelled or refunded the amount of
39 any taxes, including any interest and penalties thereon,
40 levied on that portion of the assessed value of the



1 property that would have been exempt under a timely
2 and appropriate application.

3 (b) If the property was acquired during a calendar
4 year after the beginning of the fiscal year commencing in
5 that same calendar year, there shall be cancelled or
6 refunded an amount that is equal to the product of both
7 of the following:

8 (1) The amount of any taxes, plus interest and
9 penalties thereon, levied on that portion of the assessed
10 value of the property that would have been exempt
11 under a timely and appropriate application.

12 (2) A ratio, the numerator of which is the number of
13 days during the fiscal year in which the property was
14 acquired that the claimant owns the property, and the
15 denominator of which is 365.

16 SEC. 5. Section 276.3 is added to the Revenue and
17 Taxation Code, to read:

18 276.3. In the event that property receiving a disabled
19 veterans' exemption as described in Section 205.5 of is
20 sold or otherwise transferred to a person that is not
21 eligible for that exemption, the exemption shall cease to
22 apply on the date of that sale or transfer.

23 SEC. 6. Notwithstanding Section 2229 of the Revenue
24 and Taxation Code, no appropriation is made by this act
25 and the state shall not reimburse any local agency for any
26 property tax revenues by it pursuant to this act.

27 SEC. 7. This act provides for a tax levy within the
28 meaning of Article IV of the Constitution and shall go into
29 immediate effect.

