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AB-571 Property taxation: property statement: change in ownership statement: penalty. (2015-2016)

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Assembly Bill No. 571

CHAPTER 501

An act to amend Sections 463 and 483 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 05, 2015. Filed with Secretary of State October 05, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 571, Brown. Property taxation: property statement: change in ownership statement: penalty.

Existing law authorizes the county board of equalization or the assessment appeals board to order the penalty abated for failure to file a specified property statement or change in ownership statement, if the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the property statement or change in ownership statement within the specified time required was due to reasonable cause and not due to willful neglect and the assessee has filed a written application for abatement of the penalty, as provided.

This bill would instead authorize the penalty to be abated if the assessee establishes that the failure to file the property statement or change in ownership statement within the specified time period was due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 463 of the Revenue and Taxation Code is amended to read:

463. (a) If any person who is required by law or is requested by the assessor to make an annual property statement fails to file an annual property statement within the time limit specified by Section 441 or make and subscribe the affidavit respecting his or her name and place of residence, a penalty of 10 percent of the assessed value of the unreported taxable tangible property of that person placed on the current roll shall be added to the assessment made on the current roll.

(b) Notice of any penalty added to the secured roll pursuant to this section shall be mailed by the assessor to the assessee at his or her address as contained in the official records of the county assessor.

(c) If the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the property statement within the time required by Section 441 was due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, it may order the penalty abated, provided the assessee has filed with the county board written application for abatement of the penalty within the time prescribed by law for the filing of applications for assessment reductions.

(d) If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

SEC. 2. Section 483 of the Revenue and Taxation Code is amended to read:

483. (a) If the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the change in ownership statement within the time required by subdivision (a) of Section 482 was due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, and has filed the statement with the assessor, the county board of equalization or the assessment appeals board may order the penalty abated, provided the assessee has filed with the county board of equalization or the assessment appeals board a written application for abatement of the penalty no later than 60 days after the date on which the assessee was notified of the penalty.

If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

(b) The provisions of subdivision (a) shall not apply in any county in which the board of supervisors adopts a resolution to that effect. In that county the penalty provided for in subdivision (a) of Section 482 shall be abated if the assessee files the change of ownership statement with the assessor no later than 60 days after the date on which the assessee was notified of the penalty.

If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

(c) (1) If a person or legal entity establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the change in ownership statement within the time required by subdivision (b) of Section 482 was due to reasonable cause and circumstances beyond the assessee's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, and has filed the statement with the State Board of Equalization, the county board of equalization or the assessment appeals board may order the penalty be abated, provided the person or legal entity has filed with the county board of equalization or the assessment appeals board a written application for abatement of the penalty no later than 60 days after the date on which the person or legal entity was notified of the penalty by the assessor.

(2) If a written request to file a change in ownership statement, including a written request to file a complete change in ownership statement, is mailed by the State Board of Equalization to a person or legal entity as specified in subdivision (b) of Section 482, and the assessor determines that the written request was based on erroneous information in the possession of the board provided by any person or entity, including, but not limited to, the Franchise Tax Board, a county assessor, or board staff, the assessor shall abate the penalty if the person or legal entity required to comply with the written request notifies both the board and the county assessor responsible for assessing the penalty of the error no later than 60 days after the date on which the person or legal entity is notified of the penalty.

(3) If the penalty is abated, it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.