

## **Alert** | State & Local Tax (SALT)



May 2020

### **State and Local Tax Briefing: 2020 California State-Assessed Property Tax Assessment Appeals**

The California State Board of Equalization (BOE) is responsible for assessing property tax on certain public utilities and other specified companies, including telephone companies and companies selling or transmitting gas or electricity, enabling counties to use those assessed values to collect local property taxes. These companies are commonly referred to as “state assessees” and their taxable property is referred to as “state-assessed property.”

The BOE’s jurisdiction to assess state-assessed property includes both unitary and nonunitary property. Unitary property is property used in the primary function of a state assessee, while nonunitary property is property owned by the state assessee but not used in its primary function.

State-assessed property is not subject to the provisions of Proposition 13—which limits annual adjustments in assessed value—and is assessed annually at its fair market value as of the lien date, January 1. The BOE’s State-Assessed Properties Division is responsible for annually preparing value recommendations for each state assessee. These recommendations are used by the five-member elected board of the BOE to the adopt the annual state assessee tax roll.

The lien date 2020 state assessee tax roll—which will be used to assess property taxes for the 2020-2021 fiscal year—should be adopted by the elected board by the end of this month. Assessments should be mailed by June 1 for unitary property and by July 31 for nonunitary property. The assessed amounts are

payable to the appropriate county or counties and due in two installments on December 10 of this year and April 10 of the following year.

State assesses that disagree with the adopted property values may appeal the assessment by filing a petition for reassessment with the BOE. The petition may request a review of: (1) the value of unitary and/or nonunitary property and any related penalty assessments; (2) the allocation of the unit value of unitary property among counties; and (3) the results of a BOE audit resulting in escape assessments.

Generally, the same procedural process applies for both unitary and nonunitary property assessment appeals. The basic steps are as follows:

1. File a petition for reassessment, a petition for reassessment and claim for refund, a petition for correction of an allocated assessment, or a petition for penalty abatement with the BOE.
2. Submit the matter for hearing by the BOE. The first level of review is conducted by the elected board of the BOE, which sits as the administrative appeals body for state-assessed property.
3. File a claim for refund with the appropriate county or counties, if not previously filed with the BOE as part of the petition for reassessment.
4. File an action in superior court (if the claim for refund is denied).

The deadline to file a petition for reassessment is July 20 for unitary property, and September 20 for nonunitary property. For escaped assessments, a petition must be filed within 50 days of the date of the mailing of the notice of value.

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