



# California

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## PROPERTY TAX REPORTING REQUIREMENTS AND THE CONSEQUENCES OF NOT COMPLYING

By Dibby Allan Green, ACP (Advanced Certified Paralegal)\*

New property tax penalties for not reporting a change in ownership were added to the California Revenue and Taxation Code (“Revenue Code”) effective January 1, 2010, including a new mandatory penalty if a change of control or ownership of a legal entity is not reported *within 45 days of a transfer*<sup>1</sup> – and there is no extension to 150 days for a death as there is for a transfer of real property outside of an entity. (Update your decedent’s estate checklists!)

This article and its accompanying chart attempt to summarize the property tax reporting requirements, the various consequences of not reporting, and certain benefits obtained from reporting, even if late. These materials cover reporting requirements for transfers of interests in real property, including a manufactured home that is subject to local property taxation and is assessed by the county assessor under Revenue Code section 480(a), but not including properties such as public utilities that are not locally assessed. The materials also include requirements as they apply to transfers of ownership interests in legal entities owning California real property, but not reporting requirements for business or personal property.

**Change in Ownership.** A “change in ownership” of real property, which is what triggers reassessment unless some exclusion is available, occurs upon “a transfer of a present interest in real property, including the beneficial use thereof, the value of which is substantially equal to the value of the fee interest.”<sup>2</sup> State Board of Equalization Property Tax Rule (“Rule”) 462.001 adds, “Every transfer of property qualified as a ‘change in ownership’ shall be so regarded whether the transfer is voluntary, involuntary, by operation of law, by grant, gift, devise, inheritance, trust, contract of sale, addition or deletion of an owner, property settlement, or any other means. A change in the name of an owner of property not involving a change in the right to beneficial use is excluded from the term ‘transfer’ as used in this section.”<sup>3</sup>

When real property is owned by a legal entity,<sup>4</sup> a “change in control” of the entity under Revenue Code section 64(c) or a “change in ownership” under Revenue Code section 64(d) triggers reassessment, absent an available exclusion.<sup>5</sup> The reassessment under Revenue Code section 64(c) is for all California property owned by the entity, and reassessment under Revenue Code section 64(d) is only for the property which has the original co-owners. The reporting for legal entities is made to the California State

Board of Equalization (BOE) on form BOE-100-B, which can be obtained from the Board’s website, [www.boe.ca.gov](http://www.boe.ca.gov).

For simplicity, a reference in this article to a change in ownership includes a change in control of a legal entity.

**Duty to Report.** Taxpayers have a duty to report when a change in ownership occurs.<sup>6</sup> The various forms of reporting require the transferee or legal entity to provide the relevant information concerning the transfer itself.<sup>7</sup> In order to fulfill the reporting requirements, it is not necessary that one provide a legal analysis as to whether a transfer does or does not constitute a change in ownership. This means that the reporting requirements are satisfied if the facts of the transfer are sufficiently reported, even if other mistakes have been made, such as asserting a *legal* conclusion that an exclusion applies to the transfer when, in fact, it does not. This of course is absent any misrepresentation. In other words, it is the assessor’s job to determine if a change in ownership has occurred. The assessor’s statutes of limitations for reassessment are not negated by a taxpayer’s assertions, provided that the facts of the transfer are sufficiently and accurately reported.

**Benefits of Reporting.** There are benefits to reporting a change in ownership, whether timely or late. Reporting can reduce the number of years of escape or supplemental assessments that the assessor may enroll (i.e., how many years of back taxes must be paid), and may avoid some or all penalties. For escape assessments, reporting can shift the burden of proof from the taxpayer to the assessor. Non-reporting can allow the assessor to issue an estimated and even arbitrary assessed value. These are all discussed below. As a rule, the benefits of reporting outweigh the consequences of not reporting.

**Using the Chart.** The following chart attempts to tabulate the change in ownership reporting requirements, as well as some of the consequences of late reporting or non-reporting. Additional consequences applicable to all transfers are set forth in this article below. To use the chart, the first two columns identify the kinds of transfers that might be a change in ownership or change of control. First, use column 1 to identify how the real estate is owned (several rows may apply). Second, use column 2 to identify the specific transfer or transaction. Once the specific transfer is identified by columns 1 and 2 together, the remaining four columns to the right are applicable to that particular transfer. Changes in ownership or control of legal entities are listed at rows 17 and 18 at the end of the chart.

**Column 1, Identify How the Property Is Owned.** There is a rebuttable presumption that vesting title reflects legal ownership and that all persons listed on a deed have ownership interests in the property, unless an exclusion applies.<sup>8</sup> By the same token, a trustee of a trust only has legal title, but the beneficiaries have the equitable title and thus are the property tax owners for change in ownership purposes.<sup>9</sup> Therefore, all beneficial interests should be disclosed to the assessor. A mistake on the deed, later corrected,



overcomes the rebuttable presumption that vesting title reflects legal ownership.<sup>10</sup> On the other hand, a mistake in the owner's name on the assessment roll does not render an assessment invalid.<sup>11</sup> Regarding partnerships, it also remains true that title to property owned by a partnership may be held in the names of the partners with or without reference to the partnership.<sup>12</sup>

Therefore, if for any reason beneficial interests or true legal ownership are not reflected by the vesting title of the deed or other transfer instrument, these need to be explained to the assessor, attaching documentary evidence as necessary, in order for a correct change in ownership determination to be made.<sup>13</sup>

**Column 2, Identify the Transfer.** Transfers that are not a change in ownership, such as a transfer with a retained life estate, are not listed. The scope of the chart also does not include a discussion of possible exclusions from a change in ownership, such as a spousal transfer.

**Column 3, Date of Change in Ownership.** This column lists the rebuttable presumption as to the date of a change in ownership. The presumed date may not be the actual date. For example, a gift of property may change ownership upon delivery of a deed, but for property tax purposes the presumed date of the change in ownership is the recording date. If it matters to the parties, the property tax reporting should specify the actual change in ownership date and give facts to overcome the presumed date. Obviously in a situation where delivery is completed months before recording and the only reporting will be the Preliminary Change of Ownership Report (PCOR), one would want to consider accepting the presumed recording date instead of having a late reporting if the delivery date is instead asserted. Leaving the date of transfer blank on the PCOR should result in application of the presumed date.

**Column 4, Reporting Requirements.** The time period for reporting a transfer which is, or might be, a change in ownership is calculated from the date of the change in ownership. Those time periods are shown in column 4. If the presumed date in column 3 is not the actual date (see above), calculate from the actual date of change in ownership which will be reported to the assessor.

**Column 5, Penalties.** Penalties differ if the transfer is reflected in a recorded instrument from which the assessor can discover the change in ownership, as opposed to when there is no recording and the assessor has no opportunity to discover the change in ownership.<sup>14</sup>

A penalty of \$100, or 10% of the new taxes, whichever is greater but not to exceed \$2,500, may be imposed for failure to respond to a request from the assessor for a change in ownership statement.<sup>15</sup> In addition, the law was amended effective January 1, 2010, to require the same penalty for failure to file a Statement of Change in Ownership and Control of Legal Entities (Form BOE-100-B) within 45 days after the earlier of the date the change occurs or the date of a written request from the BOE for a statement, as described at row 17 of the chart.<sup>16</sup>

Revenue Code sections 503 (penalty addition of 75% of additional assessed value), 504 (penalty addition of 25% of additional assessed value) and 506 (penalty interest) prescribe penalties and interest applicable to concealment, misrepresentation and failure to disclose tangible personal or business property. The interest provisions of section 506 have been explicitly made applicable to real property,<sup>17</sup> and both the section 504 penalty (25%) and the section 506 interest provision have been made applicable to real property in the context of an incorrect or erroneously filed homeowner's exemption.<sup>18</sup> Other than these specific situations, however, it is not completely clear to what extent the penalty provisions of sections 503 and 504 apply to a change in ownership of real property since, read alone, those sections refer only to "taxable tangible property" and "tangible personal property."<sup>19</sup>

On the other hand, both Revenue Code section 75.11(d), relating to supplemental assessments, and section 532, relating to escape assessments, apply to assessment of real and tangible personal property, and both sections refer to the application of Revenue Code sections 503 and 504. Those references are not clear about which types of property (real or personal) are subject to those penalty provisions. However, before it was amended effective January 1, 2002, references in Revenue Code section 75.11(d)(2) to the section 504 penalty clearly applied to changes in ownership of real property for which a change in ownership or PCOR was filed.<sup>20</sup> BOE Letter to Assessor No. 2002/014 explicitly refers to the section 504 penalty only as to tangible personal property in its discussion of supplemental assessments. In its discussion of escape assessments, the Letter makes the same explicit reference to tangible personal property but also implies the application of both sections 503 and 504 to real property under section 532 when it states:

Effective January 1, 2002, an escape assessment for a change in ownership of real property may be made . . . with the following exceptions:

- Any assessment to which the penalty provided for in section 504 is added . . . .
- [Omitted.]

If property has escaped taxation . . . or has been under-assessed following a change in ownership or change in control and either the section 503 (fraud) penalty is added or . . . .<sup>21</sup>

The author could find no other clarifying authority on the question. It appears that applicability of these penalties to real property is possible, but is not clear.

Revenue Code section 503 applies to a fraudulent act or omission, or fraudulent collusion between taxpayer or taxpayer's agent and the assessor or any of the assessor's deputies, and requires a penalty of 75% of the additional assessed value to be added to the assessment roll.<sup>22</sup> For example, if property enjoys Proposition 13 relief and has a 1975 base year it may have an assessed value of



\$100,000, but the market value might be \$5 million at the change in ownership. 75% of the difference between \$100,000 and \$5 million is \$3,675,000 for a total escape assessment of \$8,675,000. Using a 1% tax rate, the total tax would be \$86,750, and the penalty represents \$36,750 of this amount.

Revenue Code section 504 applies to willful concealment, failure to disclose or misrepresentation to evade taxation.<sup>23</sup> It requires a penalty of 25% of the additional assessed value to be added to the assessment roll.

**Column 6, Supplemental and Escape Assessments.** When there is a change in ownership of real property, the assessor reassesses the property, which means the assessor is establishing a new base year value as of the date of the change in ownership. The “base year” is the year of the change in ownership, and the “base year value” denotes the reassessed value upon which future years’ inflationary adjustments will be based. The assessor’s job is twofold: (1) establish the new base year value as of the change in ownership, and bring that forward from the date of the change in ownership to the present by applying the inflation factors, not to exceed 2%, for each intervening year, and (2) determine what, if any, years of supplemental or escape assessments may be issued for the tax collector to collect increased property taxes. The latter is listed in column 6.

**Statute of Limitations to Reassess.** The assessor’s statute of limitations to establish the new base year value is counted from the date of the change in ownership. The limitations period is the same whether an instrument reflecting the transfer is recorded or not. The periods are:

- (1) 4 years if the transfer is reported (absent fraud, concealment, or misrepresentation) and the assessor exercises judgment in valuing the property,<sup>24</sup>
- (2) 6 months after an audit,<sup>25</sup>
- (3) 1 year from an assessment based on a Revenue Code section 51(a) decline in value (e.g., for damage) if the assessor exercises judgment in valuing,<sup>26</sup>
- (4) unlimited, if the change in ownership is unreported or sufficient information is not reported to comply with the statute, or if there is fraud, concealment, or misrepresentation;<sup>27</sup> or
- (5) unlimited, if the failure to assess the property correctly does not involve the assessor’s exercise of judgment as to value (including the failure to establish a new base year value upon a change in ownership, whether due to non-reporting or some other cause).<sup>28</sup>

Both the assessor and the taxpayer can take advantage of the unlimited period to correct an error if the assessor has not made a valuation judgment, in order to obtain a correction, reassessment, or

reversal of prior reassessment upon discovery of an overlooked change of ownership or other legal issue.<sup>29</sup>

**Statute of Limitations to Tax – More on Supplemental and Escape Assessments.** Once the assessor has reassessed the property, the assessor may issue supplemental and escape assessments as shown in column 6. The issuance of supplemental or escape assessments is what gives rise to the county issuing the tax bills. Therefore, in plain English, column 6 represents the number of assessment years on which the county can collect back taxes from a prior change in ownership.

A supplemental assessment is issued upon either a change in ownership or new construction when less than a full assessment year is adjusted.<sup>30</sup> An assessment year runs from January 1 to December 31,<sup>31</sup> since the lien date is now January 1.<sup>32</sup> The tax roll is prepared for the fiscal year, July 1 to June 30. In coordinating assessment (calendar) year with roll (fiscal) year, one or more supplemental assessments may be issued for the portion(s) of the tax roll(s) which need to be adjusted. Supplemental assessments were added by the Legislature after Proposition 13 for changes in ownership or new construction on or after July 1, 1983, to allow the assessor to adjust the roll mid-year without requiring the county to wait until the following July 1 fiscal year to levy the new taxes or issue refunds.<sup>33</sup>

The cut-off date for the assessor to issue supplemental assessments is the July 1 that is 4, 8, or an unlimited number of years after the July 1 of the assessment year (i.e., calendar year) in which the change in ownership occurred, as follows:

- (1) 4 years generally, but
- (2) 8 years, if the 25% penalty of Revenue Code section 504 is added; or
- (3) 8 years, if the change in ownership is unrecorded and a change in ownership statement or PCOR under Revenue Code section 480 or 480.3 (real property transfers) is not *timely* filed; or
- (4) unlimited, if the 75% penalty of Revenue Code section 503 is added.<sup>34</sup>

Therefore, other than when the section 503 and 504 penalties apply, the limitations period is (a) for real property transfers, 4 years if timely reported (sections 480 and 480.3) or there is a recorded instrument, otherwise 8 years (unrecorded and late reporting or not reported at all), and (b) for legal entities, ambiguous. It seems clear that if the transfer is timely reported or if the legal entity change is recorded for some reason, the default 4-year provision applies. Similarly, it seems clear that an unlimited time is intended to apply only if the section 503 penalty applies and not in any other case not specified in the statute. The uncertainty is whether the legislative history implies an intention that the 8-year period for unrecorded and unreported real property transfers also apply to unrecorded and



unreported legal entity changes in ownership or control, or whether the 4-year default period would always apply to a legal entity transfer. Arguments can be made for either position. The options are reflected in column 6.

An escape assessment is issued for a roll correction for a full assessment year if property has not been assessed or was under-assessed.<sup>35</sup> The time periods for the assessor to issue an escape assessment are the same as those for supplemental assessments except as to legal entities:

- (1) 4 years generally, but
- (2) 8 years, if the 25% penalty of Revenue Code section 504 is added; or
- (3) 8 years, if the change in ownership is unrecorded and a change in ownership statement or PCOR under Revenue Code section 480 or 480.3 (real property transfers) is not *timely* filed; or
- (4) unlimited, if the 75% penalty of Revenue Code section 503 is added; or
- (5) unlimited, if a change in ownership statement required under Revenue Code section 480.1 or 480.2 (change in ownership or control of legal entity) is not filed.<sup>36</sup>

Therefore, other than when the section 503 and 504 penalties apply, the limitations period is (a) for real property transfers, 4 years if timely reported (sections 480 or 480.3) or there is a recorded instrument, otherwise 8 years (unrecorded and late reporting or not reported at all), and (b) for legal entities, 4 years if reported (sections 480.1 and 480.2) timely or late, but unlimited if not reported at all. These are reflected in column 6.

Determining the years for escape and supplemental assessments is tricky given the interplay between the assessment (calendar) year and the roll (fiscal) year. The dates for measuring the permitted assessments are keyed to the July 1 of the assessment (calendar) year in question.<sup>37</sup> This means if there is a delay and the county does not enroll the supplemental or escape assessment by July 1 of the applicable assessment year, the county loses a year of a supplemental or escape assessment.<sup>38</sup> Additionally, an assessment timely enrolled but without timely notice to the taxpayer may be barred by the statute of limitations.<sup>39</sup>

Example: A change in ownership occurred in 1990 which was not reported. The assessor's statute of limitations to reassess as of the 1990 change in ownership is still open due to lack of reporting. Upon either reporting (which will commence the 4-year statute to reassess assuming no fraud, concealment or misrepresentation) or the assessor's discovery, the assessor determines a new base year value as of the 1990 change in ownership date and then applies the inflation factors for each year from 1990 through the present. However, this does not necessarily mean that the county can collect

property taxes for all the intervening years. The assessor has 4, 8, or an unlimited number of years of supplemental and/or escape assessments (column 6), depending on the situation, and it is the issuance of these assessments by which the county can levy taxes for the prior years. (See below re refunds if a prior change in ownership should reduce the assessed value.)

**Non-Reporting.** Since an unreported change in ownership or lack of providing sufficient information required by statute, including responding to requests by the assessor or BOE, may give the assessor additional years of supplemental or escape assessments, it seems prudent to always file a change in ownership statement and respond to requests, even if grossly late. In determining whether reporting is filed late versus not filed at all, the cut-off point appears to be the assessor's enrollment of the supplemental or escape assessment, which is when the assessor delivers the roll changes to the auditor.<sup>40</sup> It is also possible for an individual assessor to take the position that if reporting is not timely, the statute is deemed not complied with at all, so that a late filing is treated as a non-filing. (That has been the position of the Los Angeles County Assessor in the past.)

Another consequence of not reporting or not responding to requests by the assessor or BOE is that the assessor can estimate the value, even giving an arbitrary value for the assessment.<sup>41</sup> That is sometimes deliberately done to motivate taxpayer compliance.

**Burden of Proof.** For an appeal of an owner-occupied single family dwelling or any escape assessment, if the taxpayer has filed the change in ownership statement before the date of enrollment of the escape assessment, and otherwise supplied all information as required by law to the assessor, then the burden of proof is on the assessor. However, if the taxpayer has not filed the change in ownership statement or, in the case of new construction, has not obtained a permit, then the burden of proof is on the taxpayer.<sup>42</sup> The general presumption at appeals is that the assessor has done his or her job, so for these instances, meeting the reporting requirements serves to shift the burden from the taxpayer to the assessor.

There appears to be no time frame for supplying this information to the assessor other than filing prior to enrollment of the escape assessments. Accordingly, a statement should always be filed, even if grossly late, when there is a possibility of an appeal. However, as suggested above, also consider that an individual assessor may maintain that "supplied all information as required by law" must be a timely filing and not a late filing.

For any penalty assessment (e.g., under Revenue Code sections 503 or 504 discussed above), the burden of proof is on the assessor.<sup>43</sup>

**Interest.** For escape assessments which were unrecorded and not reported, by an order of a county Board of Supervisors, interest may be added at the rate 0.75% per month, or 9% per annum, from the date the taxes would have become delinquent through the date of enrollment.<sup>44</sup>



**Refunds of Tax.** When reassessment results in a decrease in assessed value, the assessor typically (but in the author’s experience, not always) will still send out a notice of the decreased assessed value. The author’s experience also has been that the same form notice for escape assessments might be used, including the boilerplate language of “increase” and the assertion of new tax bills to be paid, all erroneous for a decreased assessment. When a reassessment results in a lowered assessed value, for supplemental assessments, the auditor is required to issue the refund within 90 days of the date of enrollment or else interest on the refund shall apply.<sup>45</sup> For escape assessments (and generally otherwise), in order to obtain the tax refund it is up to the taxpayer to file a claim for refund.<sup>46</sup> A claim for refund is mandatory,<sup>47</sup> although the author’s experience is that if one is working with the assessor’s office, such as with a settlement of an appeal, they often put the refund in motion without the necessity of a formal claim. An assessment appeal can constitute a claim for refund if so designated.<sup>48</sup> However, a withdrawal of the appeal also means a withdrawal of the claim. In addition, a claim that is made through an assessment appeal only covers the payments indicated on the appeal and not subsequent payments made while the appeal is pending.

For refunds to the taxpayer, interest is also paid at the greater of 3% per annum or at the county pool apportioned rate when total interest exceeds \$10.<sup>49</sup> Interest will usually run from the date the tax was originally paid.<sup>50</sup>

[chart follows the text of the article]

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## ENDNOTES

1. Rev. and Tax. Code, §§ 480.1, 480.2, 482(b).
2. Rev. and Tax. Code, § 60.
3. Cal. Code Regs., tit. 18, § 462.001.
4. Includes a corporation, partnership, LLC – but not a trust, other than a Massachusetts business trust, Cal. Code Regs., tit. 18, § 462.160(e).
5. Change in control of an entity under Rev. and Tax. Code § 64(c) means when one person gains a more than 50% ownership interest. A change in ownership under Rev. and Tax. Code § 64(d), if applicable, means when transfers of ownership interests by “original co-owners” cumulatively exceed 50%.
6. Rev. and Tax. Code, § 90.
7. See, e.g., Rev. and Tax. Code, §§ 480(c), 480.1(b), 480.2(b), 480.4(a).
8. Cal. Code Regs., tit. 18, § 462.200(b). See Evid. Code, § 66 [rebuttal requires clear and convincing proof]; Civ. Code, § 1105 [presumption as to fee simple title]. Exclusions include transfer of bare legal title, perfecting title, substitution of a trustee, see Rev. and Tax. Code, §§ 62(b) and (c), Cal. Code Regs., tit. 18, § 462.240.
9. See Rev. and Tax. Code, §§ 61(g), 62(d) and (e); Cal. Code Regs., tit. 18, § 462.160; *Steinhart v. County of Los Angeles* (2010) 47 Cal.4th 1298.
10. See Rev. and Tax. Code, § 62(l).
11. Rev. and Tax. Code, § 613.
12. This is notwithstanding that California has shifted entirely from an aggregate to an entity theory of partnership with the adoption of the Uniform Partnership Act of 1994, Corp. Code, §§ 16100, et seq. See Cal. Code Regs., tit. 18, § 462.180(e)(1); Corp. Code, § 16204 as to general partnerships; but the Uniform Limited Partnership Act of 2008, Corp. Code, § 15900, et seq., appears to be silent as to vesting title.
13. See Cal. Code Regs., tit. 18, § 462.200(b). See also Rev. and Tax. Code, § 610.
14. See BOE Annotation 390.0100 (correspondence February 27, 2001), interpreting Rev. and Tax. Code § 532(b) in regards to an “unrecorded” change in ownership. BOE property tax annotations can be found at <[www.boe.ca.gov/proptaxes/annotcont.htm](http://www.boe.ca.gov/proptaxes/annotcont.htm)>.
15. Rev. and Tax. Code, §§ 480(c), 482(a). Further discussion regarding this penalty may be found in BOE Letters to Assessor (LTA) 80/19, 80/102 and 80/157. Letters to Assessor are available at <[www.boe.ca.gov/proptaxes/lta-cont.htm](http://www.boe.ca.gov/proptaxes/lta-cont.htm)>.
16. See note 1, *ante*.
17. Rev. and Tax. Code, § 531.2(b).
18. Rev. and Tax. Code, § 531.6.
19. Rev. and Tax. Code, §§ 503, 502 (upon which the § 504 penalty is based).
20. Prior to amendment, Rev. and Tax. Code § 75.11(d)(2) read: “the sixth July 1 following the July 1 of the assessment year in which either a statement reporting the change in ownership was filed pursuant to Section 480, 480.1, or 480.2, or the new construction was completed, if the penalty provided for in Section 504 is added to the assessment.”
21. LTA 2002/014, pages 2-3.
22. Cal. Code Regs., tit. 18, § 261.
23. Rev. and Tax. Code, § 502.
24. Rev. and Tax. Code, §§ 51.5(b), 51.5(c), and 4831(a).
25. Rev. and Tax. Code, § 4831(a). Although audits usually refer to business property, see *County of Los Angeles v. Raytheon* (2008) 159 Cal.App.4th 27, regarding the taxpayer’s right to appeal the value of all assessed property, including the real property, upon the issuance of an escape assessment of any property, even if only business property.
26. Rev. and Tax. Code, § 4831(b).
27. Rev. and Tax. Code, § 51.5 (c).
28. Rev. and Tax. Code, § 51.5(a); *Montgomery Ward & Co., Inc. v. County of Santa Clara* (1996) 47 Cal.App.4th 1122.
29. *Sunrise Retirement Villa v. Dear* (1997) 58 Cal.App.4th 948.
30. Rev. and Tax. Code, § 75, et seq., Cal. Code Regs., tit. 18, §§ 461 and 463.
31. Rev. and Tax. Code, §§ 75.11(d), final clause, and 118.
32. Rev. and Tax. Code, § 2192, see § 401.3. From 1967 through 1996 the lien date was March 1, and prior to 1967 it was the first Monday of March.
33. Rev. and Tax. Code, § 75.10(a); *Shafer v. State Board of Equalization* (1985) 174 Cal.App.3d 423, 427; *Vacu-Dry Company v. County of Sonoma* (1987) 190 Cal.App.3d 947 (regarding refunds).
34. Rev. and Tax. Code, §§ 75.11(d)(1), (2), (3) and (4). See also *Blackwell Homes v. County of Santa Clara* (1991) 226 Cal.App.3d 1009, 1015-1016.
35. Rev. and Tax. Code, § 531; Cal. Code Regs., tit. 18, § 461(b).
36. Rev. and Tax. Code, §§ 532(a) and (b).
37. Rev. and Tax. Code, §§ 75.11(d), 532; see *Blackwell Homes v. County of Santa Clara, supra*.
38. See *Montgomery Ward & Co., Inc. v. County of Santa Clara, supra*, for an illustration of how the escape assessment years are calculated.
39. Rev. and Tax. Code, §§ 531.8, 532.1(b), 534; and see Ehrman & Flavin, Tax-



ing California Property (4<sup>th</sup> ed. 2009) § 12.7, p. 12-9.

40. Rev. and Tax. Code, §§ 534(b), 617, and see discussion under “Burden of Proof,” *post*.
41. Rev. and Tax. Code, § 485.
42. Rev. and Tax. Code, § 167; Cal. Code Regs., tit. 18, § 321. See *Auerbach v. Los Angeles County Assessment Appeals Board No. 2* (2008) 167 Cal.App.4<sup>th</sup> 1428, 1437-1438. See also Ehrman & Flavin, *supra*, § 27.10, p. 27-22, et seq., for a discussion of burden of proof.
43. Cal. Code Regs., tit. 18, § 321(c).
44. Rev. and Tax. Code, §§ 531.2(b) and 506.
45. Rev. and Tax. Code, § 75.43.
46. Rev. and Tax Code, § 5097.
47. *Plaza Hollister Limited Partnership v. County of San Benito* (1999) 72 Cal. App.4<sup>th</sup> 1. See generally Rev. and Tax. Code, § 5097, LTA 2009/016, for the applicable time periods for filing a claim for refund.
48. Rev. and Tax. Code, § 5097(b).
49. Rev. and Tax. Code, § 5151(a).
50. Rev. and Tax. Code, § 5151(c).

**“Property Tax Reporting Requirements and the Consequences of Not Complying”**  
by Dobby Allan Green, ACP

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Additions to Footnotes

Footnote Number

1. BOE has now issued LTA 2010/028 dated May 19, 2010, pertaining to the updated legal entity filing requirements.
8. The Evidence Code reference should be corrected to §662.
19. Since publication of the Article, the author has received a letter dated June 11, 2010, from BOE stating that the 25% penalty of section 504 only applies to “personal property” and will not apply to real property, but the 75% penalty of section 503 they “presume it can apply to either real or personal property” inasmuch as the term “tangible property” in that statute does not specify personal property. However, section 531.1 applies both section 506 interest and the section 504 25% penalty to real property in the case of veterans’ exemptions improperly applied; and both interest and penalty provisions also applies to real property under section 531.6 in the case of homeowner’s exemption improperly applied. So there is not a clear-cut demarcation in the law as to whether either the 25% or 75% penalties will or will not apply to real property.  
  
Further, it appears that the section 503 75% penalty and the section 504 25% penalty applies to each year of the escape assessment, as does the section 506 interest penalty. See Assessor’s Handbook 201 (June 1985) p. 33, for example calculations showing application to each escape assessment, that is, each year the property or portion escapes assessment, a separate escape assessment is issued in the year discovered. (This was also confirmed by telephone conference with BOE on June 21, 2010.)
24. See also *Metropolitan Culinary Services v. County of Los Angeles* (1998) 61 Cal.App.4th 935, 71 Cal.Rptr.2d 859.
25. See also *Focus Cable of Oakland, Inc. v County of Alameda* (1985) 173 Cal.App.3d 519, 219 Cal.Rptr. 95.
28. Rev. and Tax. Code § 51.5(a). This statute was added by the Legislature in 1987 to clarify the holding of *Dreyer’s Grand Ice Cream, Inc. v. County of Alameda* (1986) 178 Cal.App.3d 1174. See also *Blackwell Homes v. County of Santa Clara* (1991) 226 Cal.App.3d 1009, 1015; *Kuperman v. San Diego County Assessment Appeals Board No. 1* (2006) 137 Cal.App.4th 918).
32. For reference that the tax roll is prepared for the fiscal year, July 1 to June 30, Rev. and Tax. Code §§ 75.2, 75.3, 75.6 and see 75.7.
42. In reference to the statement, “There appears to be no time frame for supplying this information to the assessor other than filing prior to enrollment of the escape assessments,” the reasoning for this is due to the fact that escape assessment limitations period is counted backwards from the date of enrollment so the date of enrollment of the escape assessment is the operative date for calculating escape years – it is not the date of the change in ownership, nor the date of filing of the change in ownership statement, nor the date of issuance of a notice of proposed escape assessment. See LTA 2002/014, p. 3. Therefore, it seems clear that a late filed change in ownership statement, so long as it is filed prior to the enrollment of the escape assessment, satisfies the filing requirement for the shift in the burden of proof as to escape assessments. Rev. and Tax. Code §167.
47. See also *Sea World v. County of San Diego* (1994) 27 Cal.App.4th 1390; *Mission Housing Development v. San Francisco* (1997) 59 Cal.App.4th 55 [time not extended during appeal, but revised by AB 2411]; *Metropolitan Culinary Services v. County of Los Angeles* (1998) 61 Cal.App.4th 935; *Geneva Towers Limited Partnership v City and County of San Francisco* (2003) 29 C.4th 769.

**Property Tax Reporting Requirements and the Consequences of Not Complying**

(Current as of April 1, 2010)

All section (§) references are to the California Revenue & Taxation Code. All Rule references are to the California Code of Regulations, title 18.

	1 First, Identify How the Real Estate Is Owned	2 Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)	3 Date of Change in Ownership (Rebuttable Presumption)	4 Reporting Requirements – Number of Days from Date of Change in Ownership	5 Penalty if Not Reported	6 Number of Years of Supplemental or Escape Assessments
1	Individuals, trusts, legal entities.	Transfer of real estate (gift, sale, exchange, contribution) to another individual, trust or legal entity, where deed or other instrument is recorded.	Date deed is recorded, Rule 462.260(a)(1).	<p><b>A. For Recorded Instruments:</b></p> <p>(1) PCOR to accompany a recorded instrument, §§ 480(d) and (e), 480.3; or</p> <p>(2) 45 days, to report on a Change in Ownership Statement, § 480(c); or</p> <p>(3) 45 days from request of assessor, §§ 480(c), 482(a).</p>	<p><b>A. For Recorded Instruments:</b></p> <p>(1) Recorder may charge \$20 if PCOR does not accompany deed at time of recording, § 480.3(b);</p> <p>(2) otherwise no penalty; unless</p> <p>(3) for failure to respond timely to assessor, greater of (a) \$100, or (b) 10% of the taxes applicable to the new base year value, but not to exceed \$2,500 if failure to file was not willful.</p> <p>Penalty applies even if no change in ownership occurred, or if reporting is filed incomplete and taxpayer fails to provide information upon a second request, §§ 480(c), 482(a).</p> <p>Taxpayer may request abatement within 60 days, § 483(a).</p> <p>Penalty is applied only once per transfer no matter the number of assessor requests, § 482(c).</p> <p>(4) See article re possible §503 (75%) and §504 (25%) penalties.</p>	<p><b>A. For Recorded Instruments:</b></p> <p>(1) 4 years for a recorded document, §§ 75.11(d) (1), 532(a), LTA 2002/014; or</p> <p>(2) 8 years if the \$504 penalty is added, §§ 75.11(d) (2), 532(b)(1); or</p> <p>(3) unlimited if the \$503 penalty is added, § 75.11(d)(4), 532(b)(3).</p>

## Property Tax Reporting Requirements and the Consequences of Not Complying

(Current as of October 12, 2011, including Chaptered Legislation (SB 507 and SB 947) Effective January 1, 2012)

All section (§) references are to the California Revenue & Taxation Code. All Rule references are to the California Code of Regulations, title 18.

	1	2	3	4	5	6
	First, Identify How the Real Estate Is Owned	Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)	Date of Change in Ownership (Rebuttable Presumption)	Reporting Requirements – Number of Days from Date of Change in Ownership	Penalty if Not Reported	Number of Years of Supplemental or Escape Assessments
1	Individuals, trusts, legal entities.	Transfer of real estate (gift, sale, exchange, contribution) to another individual, trust or legal entity, <u>where deed or other instrument is recorded.</u>	Date deed is recorded, Rule 462.260(a)(1).	<p><b>A. For Recorded Instruments:</b>                      (1) PCOR to accompany a recorded instrument, §§ 480(d) and (e), 480.3; or                      (2) 90 days for transfers 1/1/12 and after (or 45 days for transfers prior to 1/1/12), to report on a Change in Ownership Statement, § 480(c) [amended by SB 507 eff. 1/1/12]; or                      (3) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, §§ 480(c), 482(a) [both as amended by SB 507 eff. 1/1/12].</p> <p><i>Transferee has the duty to report, § 480(a).</i></p>	<p><b>A. For Recorded Instruments:</b>                      (1) Recorder <u>may</u> charge \$20 if PCOR does not accompany deed at time of recording, § 480.3(b);                      (2) otherwise no penalty; unless                      (3) for failure to respond timely to assessor, greater of (a) \$100, or (b) 10% of the taxes applicable to the new base year value, but not to exceed \$20,000 for transfers 1/1/12 and following on property not eligible for the homeowners' exemption (\$2,500 for transfers prior to 1/1/12), or for properties eligible for the homeowners' exemption, not to exceed \$5,000 for transfers 1/1/12 and following (\$2500 for transfers prior to 1/1/12), if failure to file was not willful (no cap to the penalty if it was willful). Penalty applies even if no change in ownership occurred (in which case the \$100 penalty applies), or if reporting is filed incomplete and taxpayer fails to provide information upon a second request, §§ 480(c), 482(a) [both as amended by SB 507 eff. 1/1/12]. Taxpayer may request abatement within 60 days of notification of the penalty, § 483(a) [as amended by SB</p>	<p><b>A. For Recorded Instruments:</b>                      (1) 4 years for a recorded document, §§ 75.11(d)(1), 532(a), LTA 2002/014; or                      (2) 8 years if the §504 penalty is added, §§ 75.11(d)(2), 532(b)(1); or                      (3) unlimited if the §503 penalty is added, § 75.11(d)(4), 532(b)(3).</p>

	1 First, Identify How the Real Estate Is Owned	2 Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)	3 Date of Change in Ownership (Rebuttable Presumption)	4 Reporting Requirements – Number of Days from Date of Change in Ownership	5 Penalty if Not Reported	6 Number of Years of Supplemental or Escape Assessments
					507 and SB 947 eff. 1/1/12]. Penalty is applied only once per transfer no matter the number of assessor requests, § 482(c). (4) See article re possible §503 (75%) and §504 (25%) penalties.	
2	Individuals, trusts, legal entities.	Transfer of real estate (gift, sale, exchange, contribution) to another individual, trust or legal entity, <u>where deed or other instrument is recorded</u> . [See below for deaths.]	Date of the unrecorded transfer document, Rule 462.260(a)(2).	<b>B. If No Instrument Recorded:</b> (1) 45 days, to report, § 480(c) [use Change in Ownership Statement form, but LTA 2002/014 implies that a PCOR could be used to satisfy the requirement even if transfer document not recorded]; (2) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, §§ 480(c), 482(a) [both as amended by SB 507 eff. 1/1/12].  <i>Transferee has the duty to report, § 480(a).</i>	<b>B. If No Instrument Recorded:</b> (1) No penalty if reported, even if late; unless (2) if requested by Assessor, then for failure to respond timely to assessor, greater of (a) \$100, or (b) 10% of the taxes applicable to the new base year value, but not to exceed \$20,000 for transfers 1/1/12 and following on property not eligible for the homeowners' exemption (\$2,500 for transfers prior to 1/1/12), or for properties eligible for the homeowners' exemption, not to exceed \$5,000 for transfers 1/1/12 and following (\$2500 for transfers prior to 1/1/12), if failure to file was not willful (no cap to the penalty if it was willful). Penalty applies even if no change in ownership occurred (in which case the \$100 penalty applies), or if reporting is filed incomplete and taxpayer fails to provide information upon a second request, §§ 480(c), 482(a) [both as amended by SB 507 eff. 1/1/12]. Taxpayer may request abatement within 60 days of notification of the penalty, § 483(a) [as amended by SB	<b>B. If No Instrument Recorded:</b> (1) 4 years if report is timely filed, §§ 75.11(d)(1), 532(a), LTA 2002/014; or (2) 8 years if not timely reported (late or not at all), or if the §504 penalty is added, §§ 75.11(d)(2) and (3), 532(b)(1) and (2), LTA 2002/014; or (3) unlimited if § 503 penalty is added, §§ 75.11(d)(4), 532(b)(3), LTA 2002/014.

	1 First, Identify How the Real Estate Is Owned	2 Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)	3 Date of Change in Ownership (Rebuttable Presumption)	4 Reporting Requirements – Number of Days from Date of Change in Ownership	5 Penalty if Not Reported	6 Number of Years of Supplemental or Escape Assessments
					507 and SB 947 eff. 1/1/12]. Penalty is applied only once per transfer no matter the number of assessor requests, § 482(c). (3) By order of a county board of supervisors, penalty interest may be added at the rate 0.75% per month (9% per annum) for unreported escape assessments, § 531.2(b). (4) See article re possible §503 (75%) and §504 (25%) penalties.	
3	Individuals, trusts, legal entities.	Transfer of real estate to or from a legal entity, § 61(j), where exact proportional interests in each property are not retained under § 62(a)(2).	Date deed is recorded, Rule 462.260(a)(1); or date of the unrecorded transfer document, Rule 462.260(a)(2).	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.
4	Individuals as joint tenants.	Generally, creation, transfer or termination of a joint tenancy interest in real estate, §§ 61(e), 65(a), Rule 462.040(a) (but see specific rules).	Date deed is recorded, Rule 462.260(a)(1); or for termination due to death, date of decedent's death, Rule 462.260(c).	(1) See above: A. For Recorded Instruments, or B. If No Instrument Recorded. (2) In the case of a death of a joint tenant, within 150 days of death, §§ 480(b) and (c). <i>Transferee has the duty to report, § 480(b).</i>	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.

	<b>1</b> <b>First, Identify How the Real Estate Is Owned</b>	<b>2</b> <b>Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)</b>	<b>3</b> <b>Date of Change in Ownership (Rebuttable Presumption)</b>	<b>4</b> <b>Reporting Requirements – Number of Days from Date of Change in Ownership</b>	<b>5</b> <b>Penalty if Not Reported</b>	<b>6</b> <b>Number of Years of Supplemental or Escape Assessments</b>
5	Individuals.	Transfer of beneficial interest in real estate through decedent's estate (will, intestate succession).	Date of decedent's death, Rule 462.260(c).	(1) For a probate, prior to filing the inventory and appraisal ( <i>personal representative has duty to report</i> ); or (2) in all other cases within 150 days of death ( <i>trustee, or if not held in trust, transferee, has duty to report</i> ), §§ 480(b), (c) and (e); or (3) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, § 480(c) [as amended by SB 507 eff. 1/1/12].	See above: A. For Recorded Instruments, or B. If No Instrument Recorded. The successor in interest to the decedent is subject to the penalty, § 482.1.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.
6	Revocable trust.	Death of settlor; trust becomes irrevocable (to the extent beneficiaries are other than spouse or RDP), § 61(h).	Date of settlor's death, Rule 462.260(d)(1).	(1) 150 days from settlor's death ( <i>trustee has duty to report</i> ), §§ 480(b), (c) and (e); or (2) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12,	See above: A. For Recorded Instruments, or B. If No Instrument Recorded. The successor in interest to the decedent is subject to the penalty, § 482.1.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.

	<b>1</b> <b>First, Identify How the Real Estate Is Owned</b>	<b>2</b> <b>Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)</b>	<b>3</b> <b>Date of Change in Ownership (Rebuttable Presumption)</b>	<b>4</b> <b>Reporting Requirements – Number of Days from Date of Change in Ownership</b>	<b>5</b> <b>Penalty if Not Reported</b>	<b>6</b> <b>Number of Years of Supplemental or Escape Assessments</b>
				§ 480(c) [as amended by SB 507 eff. 1/1/12].		
7	Individuals or a trust.	Creation of a life estate either by deed or through the medium of a trust, where the life estate is not retained by the transferor/settlor, spouse or RDP, § 62(e), Rules 462.060(a) and 462.260(d)(2)(B).	For trust, date placed in trust, Rule 462.260(d)(2). For life estate per deed, date deed is recorded, Rule 462.260(a)(1).	See above: A. For Recorded Instruments (life estate by deed), or B. If No Instrument Recorded (more likely to apply to a trust).	See above: A. For Recorded Instruments (life estate by deed), or B. If No Instrument Recorded (more likely to apply to a trust).	See above: A. For Recorded Instruments (e.g., life estate by deed), or B. If No Instrument Recorded (more likely to apply to a trust).
8	Life tenant of a life estate (individually or through a trust).	Termination of the life interest upon death and property (including in trust) goes to remainder beneficiaries, § 61(g).	Date of life tenant's death, Rule 462.260(c).	(1) 150 days from life tenant's (or trust life beneficiary's) death ( <i>trustee, or if not held in trust, transferee, has duty to report</i> ), §§ 480(b), (c) and (e); or (2) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, § 480(c) [as amended by SB 507 eff. 1/1/12].	See above: A. For Recorded Instruments (life estate by deed), or B. If No Instrument Recorded (more likely to apply to a trust). The successor in interest to the decedent is subject to the penalty, § 482.1.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded (more likely to apply to a trust).

	<b>1</b> <b>First, Identify How the Real Estate Is Owned</b>	<b>2</b> <b>Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)</b>	<b>3</b> <b>Date of Change in Ownership (Rebuttable Presumption)</b>	<b>4</b> <b>Reporting Requirements – Number of Days from Date of Change in Ownership</b>	<b>5</b> <b>Penalty if Not Reported</b>	<b>6</b> <b>Number of Years of Supplemental or Escape Assessments</b>
9	Individuals as settlor of irrevocable trust.	Transfer to irrevocable trust where neither transferor, spouse nor RDP are beneficiaries, § 62(d).	Date placed in irrevocable trust, Rule 462.260(d)(2).	See above: A. For Recorded Instruments, or B. If No Instrument Recorded. <i>Transferee trustee has the duty to report, § 480(a).</i>	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.
10	Irrevocable trust.	Change of trust beneficiary, e.g., birth, death, vesting of a remainder interest, BOE Annotation 220.0822.	(1) Date of termination of life estate or similar precedent property interest, Rule 462.260(d); (2) date of death for a decedent, Rule 462.260(c).	(1) Typically nothing is recorded to show this. See above B. If No Instrument Recorded. (2) If due to a death, 150 days from the death, §§ 480(b), (c) and (e); or (3) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, § 480(c) [as amended by SB 507 eff. 1/1/12].  <i>Trustee has the duty to report, § 480(a) and (b).</i>	Typically nothing is recorded to show this. See above B. If No Instrument Recorded. The successor in interest to the decedent is subject to the penalty, § 482.1.	Typically nothing is recorded to show this. See above B. If No Instrument Recorded.

	<b>1</b> <b>First, Identify How the Real Estate Is Owned</b>	<b>2</b> <b>Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)</b>	<b>3</b> <b>Date of Change in Ownership (Rebuttable Presumption)</b>	<b>4</b> <b>Reporting Requirements – Number of Days from Date of Change in Ownership</b>	<b>5</b> <b>Penalty if Not Reported</b>	<b>6</b> <b>Number of Years of Supplemental or Escape Assessments</b>
11	Individual as settlor of irrevocable trust for years (QPRT, GRIT, GRAT, GRUT, CRAT, CRUT) where settlor or spouse was the sole beneficiary for the term of years.	End of the term of years when interest transfers to remainder beneficiaries, §§ 61(g), 62(e).	(1) End of term, Rule 462.260(d); or (2) date of death for a decedent, Rule 462.260(c).	(1) See above: A. For Recorded Instruments, or B. If No Instrument Recorded. (2) If due to a death, 150 days from the death ( <i>trustee has duty to report</i> ), §§ 480(b), (c) and (e); or (3) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, § 480(c) [as amended by SB 507 eff.1/1/12].	See above: A. For Recorded Instruments, or B. If No Instrument Recorded. The successor in interest to the decedent is subject to the penalty, § 482.1.	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.
12	Individuals, trusts, legal entities.	Creation, transfer or termination of a leasehold estate whose term (including options) is 35 years or more, § 61(c), Rule 462.100(a)(1)(A).	Date lessee has right to possession, Rule 462.260(b).	See above: A. For Recorded Instruments (e.g., a Memorandum of Lease), or B. If No Instrument Recorded. <i>Transferee has the duty to report, § 480(a); that is: lessee for creation of lease; lessor for termination of lease; transferee for transfer of leasehold estate.</i>	See above: A. For Recorded Instruments (e.g., a Memorandum of Lease), or B. If No Instrument Recorded.	See above: A. For Recorded Instruments (e.g., a Memorandum of Lease), or B. If No Instrument Recorded.

	<b>1</b> <b>First, Identify How the Real Estate Is Owned</b>	<b>2</b> <b>Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)</b>	<b>3</b> <b>Date of Change in Ownership (Rebuttable Presumption)</b>	<b>4</b> <b>Reporting Requirements – Number of Days from Date of Change in Ownership</b>	<b>5</b> <b>Penalty if Not Reported</b>	<b>6</b> <b>Number of Years of Supplemental or Escape Assessments</b>
13	Lessee (for any length of term) who is also owner of a residence (improvements on the leased land) eligible for homeowner's exemption (excluding mobile homes).	(1) Transfer by owner of the residence (improvements) – the owner as lessee is presumed to have a lease term of at least 35 years and so is the property tax owner, § 62(g), Rule 462.100(e); (2) date of death for a decedent, Rule 462.260(c).	(1) Date deed is recorded, Rule 462.260(a)(1); or (2) date of the unrecorded transfer document, Rule 462.260(a)(2); or (3) date of death for a decedent, Rule 462.260(c).	(1) See above: A. For Recorded Instruments (e.g., a Memorandum of Lease), or B. If No Instrument Recorded. (2) If due to a death, for a probate, prior to filing the inventory and appraisal ( <i>personal representative has duty to report</i> ); or Otherwise within 150 days of death ( <i>trustee, or if not held in trust, transferee, has duty to report</i> ), §§ 480(b), (c) and (e); or (3) 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, § 480(c) [as amended by SB 507 eff.1/1/12].	See above: A. For Recorded Instruments (e.g., a Memorandum of Lease), or B. If No Instrument Recorded.	See above: A. For Recorded Instruments (e.g., a Memorandum of Lease), or B. If No Instrument Recorded.
14	Holder of a possessory interest in real property owned by a state or local gov't entity.	Renewal, extension, sublease or assignment of the possessory interest, §§ 61(b) and (d).		None required by the holder; instead the governmental entity must file a real property usage report annually by Feb. 15th, § 480.6(a).	None required by the holder. The failure of a governmental entity to file does not give rise to any penalties or interest against the holder of the possessory interest, § 480.6(b).	

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15	Owners of cooperative housing corporation, community apartment project, condominium, PUD, or similar.	Where a residential unit eligible for homeowner' exemption is transferred without the use of a recorded deed, § 61(i).		<i>Owners</i> must annually file an ownership report by Feb. 1st, § 480.8(a)(1). If not filed, assessor can send a change in ownership statement to every unit owner, § 480.8(b)(1) -- which is due 90 days from request of assessor made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, § 482(a) [as amended by SB 507 eff.1/1/12].	For each individual unit, for failure to respond timely to assessor, greater of (a) \$100, or (b) 10% of the taxes applicable to the new base year value, but not to \$5,000 for transfers 1/1/12 and following (\$2500 for transfers prior to 1/1/12), if failure to file was not willful. Penalty applies even if no change in ownership occurred, or if reporting is filed incomplete and taxpayer fails to provide information upon a second request. §§ 480.8(b)(2) and 482(a) [as amended by SB 507 eff. 1/1/12].	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.
16	Life Insurance with a separate account.	Any transfer of interests in real property, or transfers of interests in legal entities (see rows 17 and 18), to or from a separate account.	Date deed is recorded, Rule 462.260(a)(1); or date of the unrecorded transfer document, Rule 462.260(a)(2).	(1) In addition to the reporting requirements under § 441 (business Property), 480 (transfer of real property, see A. and B., above), and 480.1 or 480.2 (transfers of interests in legal entities, see Rows 17 and 18, below), (2) must file a statement of transfer within 45 days ( <i>insurance company has duty to report</i> ), §§ 480.7(a) and (c); and	\$1,000, § 480.7(c).	See above: A. For Recorded Instruments, or B. If No Instrument Recorded.

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				(3) see also § 487 re application to Ins. Comm'r.		
<b>Transfers of Ownership Interests in Legal Entities</b>						
17	Legal entity.	Change in control of the entity, i.e., one person acquires a more than 50% ownership interest in the entity, § 64(c).	Effective date of the transfer giving the person control, i.e., a more than 50% interest, Rule 462.260(a)(2).	The earlier of 90 days of change of control for transfers 1/1/12 and after (or 45 days for transfers prior to 1/1/12) [no extension for decedents], or 90 days from request of BOE made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, §§ 480.1(a) and (b) [amended by SB 507 eff. 1/1/12]. [Report on Form BOE-100-B.]  <i>Person or entity acquiring control has the duty to report, § 480.1(a).</i>	(1) For change in ownership on or after 1/1/10, or for failure to respond to request of BOE at any time, mandatory 10% of the <u>taxes</u> applicable to the new base year value, or 10% of current year's taxes if no change in ownership occurred, §§ 480.1(a) and (b), 482(b); may apply within 60 days (provided statement is filed by then) to county board of equalization or assessment appeals board for abatement of penalty if due to reasonable cause and not willful neglect, unless county board has adopted different resolution, § 483 [as amended by SB 507 and SB 947 eff. 1/1/12]; for BOE requests made on and after 1/1/12, if the request is made based on erroneous information in BOE's possession and the taxpayer notifies both BOE and the Assessor within 60 days of the BOE notice, the Assessor can abate the penalty, § 483(c)(2) [as amended by SB 507]; penalty applied only once per transfer no matter the number of assessor's (BOE's?) requests, § 482(c). (2) See article re possible §503 (75%) and §504 (25%) penalties.	<u>Supplemental assessments:</u> (1) 4 years if timely reported or if transfer is shown on a recorded instrument, § 75.11(d)(1); or (2) 4 or 8 (?) years if not timely reported (late or not filed) and no recorded instrument, see article; or (3) 8 years if the § 504 penalty is added, § 75.11(d)(2); or (4) unlimited if the § 503 penalty is added, § 75.11(d)(4). <u>Escape assessments:</u> (1) 4 years if reported timely or late, § 532(a); or (2) unlimited if not reported, § 532(b)(3); or (3) 8 years if the § 504 penalty is added, § 532(b)(1); or (4) unlimited if the § 503 penalty is added, § 532(b)(3).

	<b>1</b> <b>First, Identify How the Real Estate Is Owned</b>	<b>2</b> <b>Second, Identify the Transfer Which May Be a Change in Ownership (if No Available Exclusion)</b>	<b>3</b> <b>Date of Change in Ownership (Rebuttable Presumption)</b>	<b>4</b> <b>Reporting Requirements – Number of Days from Date of Change in Ownership</b>	<b>5</b> <b>Penalty if Not Reported</b>	<b>6</b> <b>Number of Years of Supplemental or Escape Assessments</b>
18	Legal entity.	Cumulative transfers of interests of original coowners in the entity exceed 50%, § 64(d).	Effective date of the transfer of the interest which cumulatively exceeded 50%, Rule 462.260(a)(2).	The earlier of 90 days of change of ownership for transfers 1/1/12 and after (or 45 days for transfers prior to 1/1/12) [no extension for decedents], or 90 days from request of BOE made 1/1/12 and thereafter, or 45 days for requests made prior to 1/1/12, §§ 480.2(a) and (b) [amended by SB 507 eff. 1/1/12]. [Report on Form BOE-100-B.]  <i>Legal entity has the duty to report, § 480.2(a).</i>	Same as above (row 17) for change of control, except the statutory references for penalties is §§ 480.2(a) and (b) [instead of 481.1] and 482(b).	Same as above (row 17) for change of control.