

Amend Revenue and Taxation Code Section 279 of the Property Tax Law to include the events that qualify a claimant for the disabled veterans' exemption and make other minor technical corrections. (Housekeeping)

Source: Property and Special Taxes Department

Existing Law

Numerous sections of the Revenue and Taxation Code detail the effective date of the disabled veterans' exemption pursuant to various circumstances (§§75.22, 205.5, 276.1, 276.2). Section 279 provides that the disabled veterans' exemption, once granted shall remain in continuous effect until the occurrence of specified listed events. Sections 279.5 and 276.3 provide that once a property no longer qualifies, the exemption is to be immediately cancelled.

This Proposal

This proposal adds subdivision (a) to Section 279 to expressly detail the effective date of the disabled veterans' exemption for various events as provided by other sections of law. Consolidating the effective and termination dates of the exemption into one section of law is helpful for both tax practitioners and taxpayers. For comprehensiveness, this proposal also expressly adds another termination event (when an unmarried surviving spouse remarries) which is not listed in Section 279. Additionally, the proposal strikes language referring to "the lien date" since it is not technically accurate.

Section 279 of the Revenue and Taxation Code is amended to read:

(a) Subject to the provisions regarding cancellations and the limitation periods on refunds, property becomes eligible for the disabled veterans' property tax exemption, as described in Section 205.5, as of:

(1) The effective date of a disability rating, as determined by the United States Department of Veterans Affairs, that qualifies the claimant for the exemption;

(2) The date a qualified claimant purchases a property that constitutes the principal place of residence, provided residency is established within 90 days of purchase;

(3) The date a qualified claimant establishes residency at a property owned by the claimant or the spouse, as specified in Section 205.5(a);

(4) The date the veteran died, as a result of a service-connected injury or disease, in the case where the unmarried surviving spouse is the claimant.

~~(a)~~ (b) A claim for the disabled veterans' property tax exemption ~~described in Section 205.5~~ filed by the owner of a dwelling, once granted, shall remain in continuous effect unless any of the following occurs:

(1) Title to the property changes.

(2) The owner does not occupy the dwelling as his or her principal place of residence ~~on the lien date~~.

(A) If ~~a veteran~~ the claimant is, ~~on the lien date~~, confined to a hospital or other care facility but principally resided at a dwelling immediately prior to that confinement, the ~~veteran~~ claimant will be deemed to occupy that same dwelling

as his or her principal place of residence ~~on the lien date~~, provided that the dwelling has not been rented or leased as described in Section 205.5.

(B) If a person receiving the disabled veterans' exemption is not occupying the dwelling ~~on the lien date~~ because the dwelling was damaged in a misfortune or calamity, the person will be deemed to occupy that same dwelling as his or her principal place of residence ~~on the lien date~~, provided the person's absence from the dwelling is temporary and the person intends to return to the dwelling when possible to do so. Except as provided in subparagraph (C), when a dwelling has been totally destroyed, and thus no dwelling exists ~~on the lien date~~, the exemption provided by Section 205.5 is not applicable until the structure has been replaced and is occupied as a dwelling.

(C) A dwelling that was totally destroyed in a disaster for which the Governor proclaimed a state of emergency, that qualified for the exemption provided by Section 205.5 and has not changed ownership since the disaster, will be deemed occupied by the person receiving a disabled veterans' exemption ~~on the lien date~~ provided the person intends to reconstruct a dwelling on the property and occupy the dwelling as his or her principal place of residence when it is possible to do so.

(3) The property is altered so that it is no longer a dwelling.

(4) The veteran is no longer disabled as defined in Section 205.5.

(5) The unmarried surviving spouse claimant remarries.

~~(b)~~ (c) The assessor of each county shall verify the continued eligibility of each person receiving a disabled veterans' exemption, and shall provide for a periodic audit of, and establish a control system to monitor, disabled veterans' exemption claims.