

California Property Taxes

Edvin Girvargis, State and Local Tax Senior Manager
April 6, 2020

California property taxes are generally due in two installments, on December 10th, and April 10th, of each year. Property taxes in California are jointly administered by the Board of Equalization and the 58 county assessors.

If a taxpayer is unable to pay the first installment of the annual tax bill at the Tax Collector's Office by 5 p.m. on December 10th, or if payment is not postmarked by that time and date, then that installment becomes delinquent, and a 10% delinquent penalty is incurred.

If a taxpayer is unable to pay the second installment of the annual tax bill at the Tax Collector's Office by 5 p.m. on April 10th, or if payment is not postmarked by that time and date, then that installment becomes delinquent, and a 10% delinquent penalty is incurred, and in some cases, administrative charges may be added.

Also, taxpayers that fail to pay any supplemental tax bill installment by the applicable delinquency date will incur the same penalties and charges as accrue for delinquent annual taxes. If there are ANY unpaid taxes as of 5 p.m. on June 30th, then the property becomes tax defaulted. Once the property has become tax defaulted, a redemption fee may be added, and additional penalties begin to accrue at the rate of 1-1/2 percent per month of the unpaid taxes.

Select County Assessor COVID-19 Response

Under existing law, county tax assessors do not have the authority to extend the property tax deadline. However, they do have the authority to waive late-payment penalties under certain circumstances. Notably, tax assessors have the authority to waive late payment penalties pursuant to California Revenue and Taxation Code § 4985.2 upon a finding that failure to timely pay is due to "...reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the principal payment for the proper amount of the tax due is made no later than June 30th of the fourth fiscal year following the fiscal year in which the tax became delinquent." Note that abatement of penalties is largely based on the facts and circumstances in each case, and as such, county assessors have a lot of power to influence the abatement – this means that although abatement is a possibility, it is not guaranteed in every case.

One final item to note is that in cases where the assessor's office is closed, the payment deadline becomes the first business day that the office is opened. Where a county assessor closes its offices, the payment deadline is effectively extended. However, not all county assessors have fully closed their offices (i.e., they are only under partial closure).

Los Angeles

The assessor is unable to extend the April 10th deadline, and has not fully closed its office.

Beginning on April 11th, the day after property taxes become delinquent, taxpayers unable to pay on time for reasons related to COVID-19 may submit a request for penalty cancellation on the county assessor's website. The department has set up a special team to process these requests.

There is no additional information with respect to abatement of redemption penalties on tax defaulted properties (i.e., tax is not paid by June 30th) or other administrative charges.

Refer to the county's detailed FAQ here: <https://ttc.lacounty.gov/wp-content/uploads/2020/03/COVID-19%20Impact%20to%20Property%20Taxes%20FAQs.pdf>

Orange

The assessor is unable to extend the April 10th deadline, and has not fully closed its office.

Beginning on April 11th, the day after property taxes become delinquent, taxpayers unable to pay on time for reasons related to COVID-19 may submit a Cancellation Request form provided on the county assessor's website.

There is no additional information with respect to abatement of redemption penalties on tax defaulted properties (i.e., tax is not paid by June 30th) or other administrative charges.

Refer to the county's COVID-19 response here: <http://www.ttc.ocgov.com/>

San Francisco

The assessor is unable to extend the April 10th statutory deadline, however, the county has closed its offices due to the Department of Public Health's shelter-in-place order, and as such, the property tax deadline is now Monday, **May 4, 2020**, – the first day the office is open after the shelter-in-place order ends.

Taxpayers that are unable to pay their property tax assessment once the assessor's offices open may submit a request for a penalty waiver online after the property tax deadline of May 4, 2020.

There is no additional information with respect to abatement of redemption penalties on tax defaulted properties (i.e., tax is not paid by June 30th) or other administrative charges.

Refer to the county's COVID-19 response here: <https://sftreasurer.org/property-tax-deadline-frequently-asked-questions>

Ventura

The assessor is unable to extend the April 10th deadline, and has not fully closed its office.

After April 10th, the tax collector's office will consider written requests for waiver of late-payment penalties on a case by case basis, with proven significant economic hardship, directly caused by the Covid-19 situation. The Cancellation of Penalty form will be available on their website after April 10th.

There is no additional information with respect to abatement of redemption penalties on tax defaulted properties (i.e., tax is not paid by June 30th) or other administrative charges.

Refer to the county's COVID-19 response here: <https://www.ventura.org/ttc/>

Other Counties and Considerations

Since California property tax is primarily administered at the local level, it is important to refer to the COVID-19 guidelines set forth by each assessor's office in order to understand whether the assessor intends to provide for penalty relief, and to understand whether there is any special documentation or other information required as part of the taxpayer's application for abatement. Additionally, although assessors do not have the authority to change the statutory deadline to pay, they may indicate whether the deadline has been effectively extended through a complete office closure.

Finally, it is important to recognize that although county assessors have the power to abate penalties (and maybe more inclined to do so given the current circumstances), that abatement is not automatic and relies on the facts and circumstances in each case. As such, it is important to understand any documentation requirements set forth, if any, and to note that abatement is not guaranteed in every situation as it is largely at the discretion of the assessor.

During this trying and unprecedented time, the entire team at HCVT is here to assist you. As always, please contact your HCVT tax professional with questions.