

PTA

PROPERTY TAX UPDATE

Property Tax Assistance Co., Inc. ❖ 16600 Woodruff Ave., Bellflower, CA 90706 ❖ 562-920-1864 ❖ www.property-taxes.com

SUMMER

2010

Did You Receive Your Refund Notice?

You may be entitled to money and don't even know it.

David L. Gangloff Jr., Esq. CEO & Principal

In 1999 a class action lawsuit was filed in Los Angeles County Superior Court titled, Roger E. Bacon, et al. vs. County of Los Angeles, et al. (LASC No. BS 058574). This is NOT your normal class action where you end up as part of a class where your proceeds are a coupon good for 10% off your next purchase. More on that later. The attorneys at Gangloff, Gangloff & Pool and Knapp, Petersen & Clarke have been prosecuting this lawsuit since 1999 and have successfully negotiated a settlement with the County of Los Angeles. At issue in the lawsuit is unpaid statutory interest on property tax refunds that issued from Los Angeles County since 1993 to present. In February 2010 the superior court granted preliminary approval to the settlement of the case.

The Property Tax Update has previously written about the details of the lawsuit in the Spring 2006, Vol. 11, Issue 2 newsletter that can be found at www.property-taxes.com and at the settlement website at <http://www.losangelescountypropertytaxrefundsettlement.com/> Since the last Property Tax Update went to press the actual amount of refunds owed each taxpayer has been calculated.

If you received a property tax refund in the County of Los Angeles since 1993 you may have a claim and not realize it. The largest single claim amount calculated was \$915,020.91. This was for a single claim and the potential claimant has multiple other outstanding claims. There are 42 claims that are between \$100,000 and \$915,020.91 and an additional 1,298 claims that are between \$5,000 and \$99,999.99. There are an additional 2,812 refunds that are between \$1,000 and \$4,999. Lastly, there are in excess of 59,000 claims that are less than \$1,000.

As part of the settlement the claims administrator publicized the settlement of the lawsuit in local newspapers and sent out notices to all known claimants at their last known address. Unfortunately, at the date of this writing, approximately 62% of those claim forms were returned as not deliverable.

We have been in the process of trying to help past and present Property Tax Assistance Co. Inc. clients to determine if they are entitled to any refunds. One client called and said that they had received 3 claim notices that totaled \$145,000 in refunds. We were able to determine that they had additional claims that went to various other addresses in the amount \$1,010,000.

Richard Lee, Director of Property Tax for Tenet Healthcare Corporation contacted us because he had received 6 refund claims that totaled less than \$7,000 and he thought that he might have more outstanding refunds. We were able to help Tenet Healthcare find notices that went to addresses that they no longer controlled that amounted to an additional \$703,000.

The website <http://www.losangelescountypropertytaxrefundsettlement.com/> is searchable by parcel or bill number and we encourage anyone who received a property tax refund in Los Angeles County to do the research necessary to determine if you are a member of this class action lawsuit. The last day to file a claim is August 17, 2010. If you would like additional information please call Lisa Henry at (562) 920-1864.

Construction-In-Progress (CIP): Worth a Second Look...

Gilbert Arciba, Senior Tax Consultant

Construction in Progress (CIP) is an item required to be reported on Business Property Statement. CIP is assessed at 100% of the reported amount as of the lien date. In other words, if you report \$1M in CIP; the associated tax liability for this cost is \$10,000.

The Assessor is required to assess the cost at 100%; however, there are some circumstances in which the reported cost should not be assessed. The circumstances all vary depending on each taxpayer's particular situation. It is important to understand all the facts as they relate to the reported cost in CIP.

However, often we see a corporate location that does all the acquiring of equipment from their cost center. As of the lien date, they report a large amount of cost related to equipment not physically located on the premises. If equipment is not physically located on site as of the lien date, the reported cost is not assessable. Also, lead times for equipment vary by industries, it is not uncommon for companies to have substantial amount of cost related to equipment on order which is not physically located on site.

As of May 7th, the Business Property Statement, Form 571L was due to the Assessor's Office in order to avoid the 10% penalty for late filing. Upon receipt of the Property Statement, the Assessor must process the statement and issue the taxpayer a 2010 tax bill in a relatively short time frame. The Assessor does not have ample time or resources to review the CIP cost of every Property Statement submitted. Review your Business Property Statement and if the reported CIP cost is substantial, it is worth a second look by filing an Assessment Appeal.

What dogs know about life

Dogs may be smarter than we think. Here are some secrets of contented living that most dogs follow—and more humans need to:

- Never pass up the chance to go for a ride.
- Always greet your loved ones enthusiastically, even if they've been gone for only five minutes.
- Sometimes obedience is the best strategy.
- Carve out your niche—and let others know when they've invaded your space.
- Find time to run, chase things, and play every day.
- Eat with gusto!
- Be dependably loyal no matter what.
- Take frequent naps.
- Take time to stretch before getting up from your naps.
- Don't bite when a growl will send the message.
- When someone's having a bad day, stay close, be quiet, and nuzzle them now and then.
- When it's hot, drink a lot of water and sleep in the shade.
- Enjoy long, rambling walks.
- Don't take scoldings personally—you'll forget them soon enough.
- When you're happy, show it.



Quotes

To find out what one is fitted to do, and to secure an opportunity to do it, is the key to happiness.

—John Dewey

Creativity is so delicate a flower that praise tends to make it bloom while discouragement often nips it at the bud.

—Alex Osborn

Behind every successful man there's a lot of unsuccessful years.

—anonymous

The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack of will.

—Vince Lombardi

I try to take one day at a time, but sometimes several days attack me at once.

—anonymous

I like to see a man proud of the place in which he lives. I like to see a man live so that his place will be proud of him.

—Abraham Lincoln

What is the essence of America? Finding and maintaining that perfect, delicate balance between freedom "to" and freedom from."

—Marilyn vos Savant

When money speaks, the truth keeps silent.

— proverb

Property Tax Update

California Commercial Real Estate Values Continue to Decline. Property Tax Appeal Filing Season Approaches.

Chris Larsen, Tax Consultant

The 1978 initiative known as California Proposition 8 permits a temporary reduction in the assessed value of California Real Property when the current market value of the property has declined below the value of the property as reflected in the County Assessor's tax rolls (generally referred to as the Proposition 13 trended base year value).

Current market value statistics indicate that commercial real property values are still experiencing a sharp decline. According to Moody's/REAL Commercial Property Price Indices, February 2010 in Southern California between October 2008 and September 2009, market values fell an average of 22.9% for retail properties, 15.9% for apartments, 24.2% for industrial, and 27.8% for office. While these figures are averages for Southern California, similar trends are apparent throughout the state.

In light of the current economic conditions, and in particular if you have purchased or newly constructed property between 2003-2009, now would be an opportune time to file an Application for Changed Assessment with the local county Assessment Appeals Board. This appeal will require the Assessor to reexamine the market value of the property.

The appeal filing season is fast approaching. Appeals must be filed between July 2, 2010 and September 15, 2010 in Alameda, Inyo, Kings, Monterey, Orange, Placer, San Francisco, San Luis Obispo, Santa Clara, Sierra, Sutter, and Ventura counties. For all other 46 counties appeals must be filed between July 2, 2010 and November 30, 2010.

The Real Estate Tax Division of Property Tax Assistance Co., Inc. has been successful in appealing many real estate values since the peak in late-2007, and current market data indicates values will be even lower for 2010-11. We therefore, are encouraging our clients, whether they are the landlord or the tenant responsible for payment of the taxes, to consider filing appeals to preserve their rights to review the values.

Additionally, if you are a tenant in a building that has changed ownership (property has been sold and you now have a new landlord) there are some opportunities for reductions on any Leasehold Improvements you may be reporting on Business Personal Property Form 571-L.



TOOTING OUR HORN!

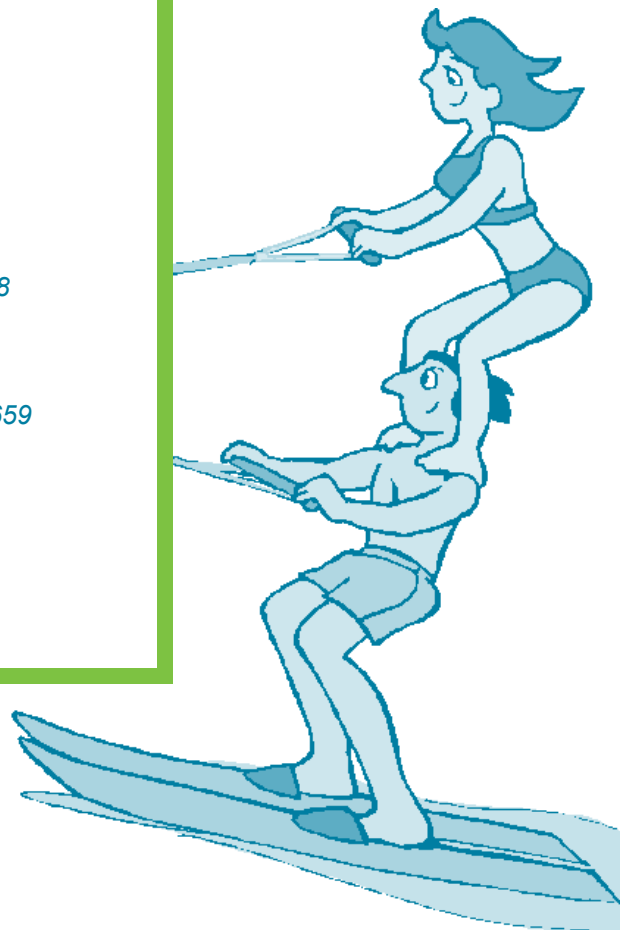
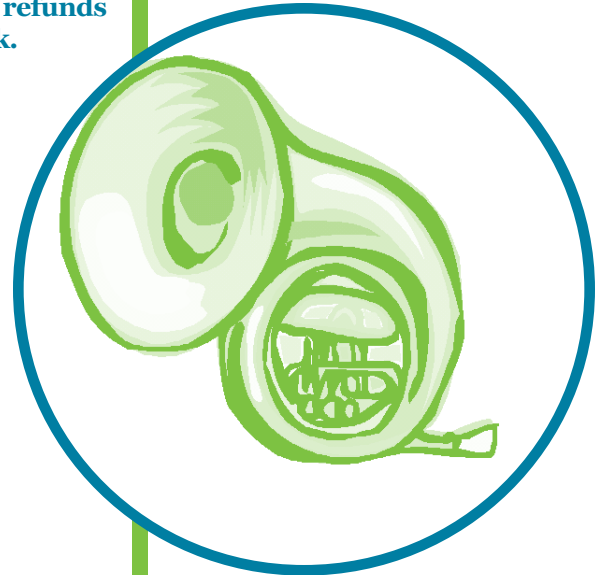
Although this is an informational newsletter, we would like to take the opportunity to brag about a sampling of our successes, from various industries, in the last quarter. These are a few examples of the refunds that our clients have received from the county, due to our work.

Personal Property

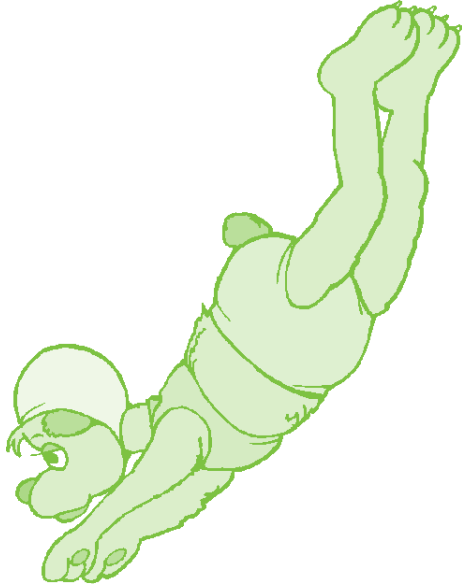
<i>Anesthesiology</i>	\$53,573.92
<i>Commercial Camera Rentals</i>	\$51,592.65
<i>Can Manufacturer</i>	\$112,712.36
<i>Cement Manufacturer</i>	\$709,368.47
<i>Clothing Manufacturer</i>	\$80,034.31
<i>Commercial Printers</i>	\$61,701.70
<i>Construction Company</i>	\$793,133.45
<i>Dairy</i>	\$22,363.74
<i>Data Center</i>	\$1,925,195.63
<i>Disc duplication</i>	\$58,168.71
<i>Dyeing and Finishing</i>	\$36,318.22
<i>Extruding Company</i>	\$126,355.87
<i>Grocery Stores</i>	\$335,655.42
<i>Newspaper</i>	\$26,858.32
<i>Packaging Company</i>	\$31,231.00
<i>Plastic Bag Manufacturer</i>	\$89,849.93
<i>Race Track</i>	\$237,869.14
<i>Resin Manufacturer</i>	\$35,840.89
<i>Vineyard</i>	\$36,053.08

Real Property

<i>Office Building-Base Year Valuation</i>	- \$1,469,242
<i>Office Building – Decline in Value</i>	- \$44,526
<i>Industrial Building Portfolio – Decline in Value</i>	- \$181,337.28
<i>Industrial Buildings – Base Year Valuation</i>	- \$25,838
<i>Multifamily Property – Decline in Value</i>	- \$44,686
<i>Multifamily Property – Decline in Value</i>	- \$51,111
<i>Retail Building – Decline in Value</i>	- \$16,874.92
<i>Single Family Residence – Decline in Value</i>	- \$19,659



Tax Tidbits



SPLIT ROLL MEASURE KILLED BY COMMITTEE

The chair of the Assembly Appropriations Committee announced May 28 that the committee is holding a split-roll property tax measure. The bill (AB 2492, Ammiano) is strongly opposed by Cal-Tax as an effort to weaken Proposition 13's protections for California property owners. The author, who waived presentation of the bill at Friday's hearing, has described his legislation as the first step in his effort to "nuke" Proposition 13.

BLAST FROM THE PAST

"I've long believed that one of the fallacies of our tax thinking is that you can tax, say, the business community and that this in some way is removing the burden from the people. ... In the last analysis, people pay taxes. You can't tax a thing. Somebody has to pay that tax. All business taxes, if they're not reflected in the price of the product which is paid by the people, there is no business."

Governor Ronald Reagan, during a February 7, 1967 press conference

Cal-Taxletter, May 21, 2010

Creative hiding places for your valuables

Although your chances of being burglarized are low, it does happen. Unless you've got a safe guarded by laser beams for that priceless heirloom, try some of these tricks for hiding your valuables:

- Bookcases. Many bookcases have a few extra inches of space beneath the bottom shelf, hidden behind some molding. Remove the molding and store valuables there.
- Light switches and electrical outlets. Turn off your power and remove the plate. You'll find a small space where you can deposit small items for safekeeping.
- Ironing boards. You can hide important documents between the board and the padding. Also, the hollow area inside the legs (pull off the rubber or plastic pads) can be used to store rolled-up cash or small items.
- Spice jars. Pour the spice into a bowl. Then coat the inside of the jar with glue. Refill the jar, then empty it again. Make sure the jar looks like it's full of oregano (or whatever you used) and place money, credit cards, or other valuables inside.
- Trash cans. Place important items at the bottom, then use a liner to conceal them.
- Dirty clothes hamper. Thieves won't want to sift through soiled clothes.
- Vents. Your heating and air-conditioning vents can make useful hiding places. Burglars won't want to risk the time unscrewing each vent.
- Decoys. Keep a small wad of cash someplace where a would-be burglar is likely to find it. Thieves in a hurry will snatch it and go, leaving the rest of your valuables behind



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Property Tax Update

Tax Humor

Drive carefully. Uncle Sam needs every taxpayer he can get.

Children may be deductible, but they are still taxing.

The path of civilization is paved with tax receipts.

If Congress can pay farmers not to raise crops, why can't we pay Congress not to raise taxes?

Congress does some strange things. It puts a high tax on liquor and then raises the other taxes that drive people to drink.

The attitude of Congress toward hidden taxes is not to do away with them, but to hide them better.