
TAX - CALIFORNIA

Williams & Fickett v. County of Fresno

Supreme Court of California, California - June 5, 2017 - 2017 WL 2417300 - 17 Cal. Daily Op. Serv. 5224

Taxpayer brought action against county for refund of personal property taxes.

The Superior Court sustained demurrer without leave to amend and dismissed the complaint. Taxpayer appealed. The Court of Appeal reversed.

The Supreme Court of California held that:

- Administrative exhaustion of a claim for refund on the basis that the taxpayer does not own the affected property requires the taxpayer to file an application for assessment reduction, overruling *Parr-Richmond Industrial Corp. v. Boyd*, 43 Cal.2d 157, 272 P.2d 16;
- Administrative exhaustion of a claim for refund on the basis that the taxpayer does not own the affected property requires the taxpayer to certify under penalty of perjury that the taxpayer is the "owner" of the property; and
- Supreme Court's holding requiring administrative exhaustion would apply prospectively only.

To satisfy the exhaustion of administrative remedies requirement for a court action for a refund of tax on nonexempt assessed property based on the taxpayer's nonownership of the property, a taxpayer must seek an assessment reduction through the assessment appeal process before the county board of equalization or a county assessment appeals board, or obtain a stipulation that such proceedings are unnecessary, since such an action seeks a "reduction in an assessment" on the local roll; overruling *Parr-Richmond Industrial Corp. v. Boyd*, 43 Cal.2d 157, 272 P.2d 16.

A taxpayer who erroneously has been assessed tax on nonexempt property the taxpayer does not own may certify or declare under penalty of perjury that the taxpayer is the "owner" of the property within the meaning of the Revenue and Taxation Code, as required to satisfy the exhaustion of administrative remedies requirement for a court action for a refund of tax based on the taxpayer's nonownership of the property, since the taxpayer is a "person having a direct economic interest in the payment of the taxes on that property."

Supreme Court would apply its holding in the present case, that administrative exhaustion of a claim for refund on the basis that the taxpayer does not own the affected property requires the taxpayer to file an application for assessment reduction, prospectively only, since taxpayers like the plaintiff in the present case might have reasonably relied on a prior Supreme Court decision to believe it was unnecessary to timely exhaust administrative remedies through the assessment appeal process.

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