



# Property Tax Deferral Requests

April 6, 2020

## PROPERTY TAX DEFFERAL

The California Hotel & Lodging Association is providing a [sample letter](#) and [contact information for each county](#) in California for members to request a deferral of the upcoming property tax payment due on April 10, 2020 as well as a waiver of any penalty, costs, or other charges resulting from non-payment.

CHLA recommends you send a written request to your county tax assessor for a deferral of property taxes and all other charges that would result from a late payment with any pertinent documentation, showing why you are unable to pay.

CHLA has been working with the Governor's office, the Office of Business and Economic Development (Go-Biz), and the Legislature (emergency legislation [notice](#)) since the inception of the COVID-19 crisis to provide relief for the hotel industry. A primary focus was relief from property tax payments.

Over the past four days, despite consistent and repeated efforts, it's become evident that there will not be any property tax relief at a statewide level. However, property owners may request relief *individually* by asking for a deferral directly from the county where the property is located.

While some counties, such as San Francisco, have established a process for requesting a deferral and have indicated they *may* waive any penalty, costs, or other charges resulting from non-payment, the vast majority of counties do not yet have a process in place for such requests.

### BASIS FOR DEFERRAL REQUEST

On rare occasions of extenuating circumstances, penalties **MAY** be cancelled under [California Revenue and Tax Code Section 4985.2](#) if the failure to make a timely payment is due to reasonable cause and **ALL** of the following criteria are met:

- The circumstances are beyond the taxpayers' control.
- Occurred notwithstanding the exercise of ordinary care and judgment.
- It was in the absence of willful neglect.
- Provided the principal payment for the proper amount of the tax due is made no later than June 30 of the fourth fiscal year following the fiscal year in which the tax became delinquent.

Counties will use all existing authority to cancel penalties and other charges for **property owners that are unable to pay their property taxes due to circumstances caused by COVID-19** on a case-by-case basis.

*This is an information service of CHLA. It does not purport to serve as legal or other professional advice, and the counsel of competent professionals should always be sought.*

## DEFERRAL BASIS:

[The California Revenue and Taxation Code – Section 4985.2](#) states:

Any penalty, costs, or other charges resulting from tax delinquency may be canceled by the auditor or the tax collector upon a finding of any of the following:

(a) Failure to make a timely payment 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 30 of the fourth fiscal year following the fiscal year in which the tax became delinquent.

(b) There was an inadvertent error in the amount of payment made by the taxpayer, provided the principal payment for the proper amount of the tax due is made within 10 days after the notice of shortage is mailed by the tax collector.

(c) The cancellation was ordered by a local, state, or federal court.

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California State Association of Counties and California Association of County Treasurers and Tax Collectors statements [here](#) and [here](#).

**CHLA + CABBI Members:**

Questions or concerns?

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