

LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Administration of Empty Homes Tax]

Ordinance amending the Business and Tax Regulations Code to add provisions to administer the Empty Homes Tax; and to make conforming non-substantive changes.

Existing Law

Voters passed the Empty Homes Tax at the November 8, 2022 election. The Empty Homes Tax ordinance requires persons subject to the tax and persons that own certain residential units to file annual returns with the Tax Collector. Existing law provides for the administration of most of the City's taxes. These administrative provisions include definitions; the Tax Collector's audit and collection authority; filing and payment requirements; rules for refunds and lawsuits; penalty, interest, and citation provisions; and taxpayer confidentiality provisions, among others.

Amendments to Current Law

This ordinance would extend the above administrative provisions, as applicable, to the Empty Homes Tax. This ordinance also would require persons subject to the Empty Homes Tax to file tax returns and make tax remittances to the Tax Collector by April 30 of the succeeding year or within 45 days of any sale or transfer of the residential unit. In addition, each owner of a residential unit would be required to file annual informational returns with the Tax Collector by April 30 of the succeeding year or within 45 days of any sale or transfer of the residential unit—unless the owner is covered under the homeowners' exemption period for that residential unit for the entire year or qualifies for one of a specified list of exemptions. The homeowners' exemption period means the period during which the residential unit is the owner's principal residence and the owner has validly claimed the homeowners' property tax exemption or the disabled veterans' exemption. This ordinance also would make conforming changes to Article 6 of the Business and Tax Regulations Code, including amendments to the provisions on taxpayers' maintenance of records and the Tax Collector's requests for information to enable administration of the Empty Homes Tax.

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