

State of California
BOARD OF EQUALIZATION
PROPERTY TAX RULES

Chapter 1. State Board of Equalization — Property Tax
Subchapter 2. Assessment
Article 4. Information from Taxpayers and Audits

Rule 193. SCOPE OF AUDIT.

Reference: Section 469, Revenue and Taxation Code.

(a) When auditing a taxpayer under the requirements of section 192, an assessor may audit for only one of the fiscal years within the period specified in section 532 of the Revenue and Taxation Code if no discrepancy or irregularity is found in the fiscal year selected for audit. When a discrepancy or irregularity is found in the fiscal year first selected for audit, the assessor shall audit the remaining fiscal years for which the statute of limitations has not run unless he documents in the audit report his conclusion both (1) that the discrepancy or irregularity in the fiscal year first selected is peculiar to that fiscal year and (2) that the discrepancy or irregularity did not permit the assessment of an escape under the provisions of sections 502, 503, 531.3 or 531.4 of the Revenue and Taxation Code.

(b) If property of a taxpayer who meets the requirements of section 192 is selected by the board as an assessment sample item as part of its assessment practices surveys, the assessor of the county surveyed may consider the audit findings of the board's Assessment Standards Division as the fulfillment of section 192 providing no discrepancy or irregularity exists between the findings and the corresponding property statement or report and providing he maintains a copy of such findings in his files. If the assessor determines that the findings disclose a discrepancy or irregularity between the taxpayer's books and records and the corresponding property statement or report, he shall ascertain the cause and audit all years within the statute of limitations applicable to escape assessments.

(c) Nothing herein shall be construed to prohibit an assessor from auditing or reauditing any or all statements or reports for which the statute of limitations has not run or to define the circumstances in which property that has escaped assessment can be added to the roll.

History: Adopted April 10, 1968, effective May 12, 1968.
Amended December 12, 1969, effective January 11, 1970.
Amended January 16, 1985, effective February 15, 1985.