



March 24, 2020

Via Electronic Delivery

The Honorable Gavin Newsom
Governor of California
State Capitol
Sacramento, CA 95814

RE: Request for Alignment of April 10 Property Tax Payments to July 15th Deadline for Federal and State Taxes

Dear Governor Newsom:

On behalf of the undersigned organizations, we respectfully request your support to align the upcoming second installment of property taxes, currently due on April 10, 2020, until July 15, 2020 to conform with already established delays on other state and federal taxes.

Our organizations and members are working closely with your administration on measures necessary to arrest the spread of the contagion that threatens our state. The impact of COVID-19 has brought unprecedented economic hardship on all California taxpayers and we appreciate your original Executive Order of March 9th, which suspended the filing and payment dates for sales taxes and income taxes as far as July 15th.

Specifically, we ask your consideration to further utilize the authority granted to you under Government Code 8571 to partially suspend the operation of Revenue and Taxation Code sections 2618 and 4103. The failure to do so would mean that small businesses and individual taxpayers fighting to remain solvent in this crisis who are late with their property tax payments will face an immediate 10% penalty, and an additional penalty of 1-1/2% *per month* if the payment were delayed beyond June 30th.

This temporary suspension would only need to be a partial suspension. It would not further the purposes of mitigating the current emergency to extend the payment date to third party holders of residential impound accounts, or to privately held public utilities. But for a large number of residential and small business owners (who either own their property or directly pay property taxes through triple net leases) this 90-day reprieve will help prevent a cascading financial crisis and even greater long-term impact on the economy.

Given the short-term nature of the delay and that local government has already received the first installment of property taxes (or in many cases both installments when the first was due in

December) and would timely receive the second installment from impound accounts and public utilities, our request should not seriously interrupt local government cash flow.

Governor, the need is immediate and urgent. Thank you for your consideration of this request and look forward to working in partnership with you on this and many other issues including a future economic recovery plan in order to protect the health and economy for all Californians.

Sincerely,

Robert C. Lapsley

Handwritten signature of Robert C. Lapsley in black ink.

President
California Business Roundtable

Rex S. Hime

Handwritten signature of Rex S. Hime in black ink.

President
California Business Properties