

Memorandum

To: Honorable Jerome E. Horton, Chairman
Senator George Runner (Ret.), Vice Chair
Honorable Fiona Ma, CPA, Second District
Honorable Diane L. Harkey, Fourth District
Honorable Betty T. Yee, State Controller

Date: November 25, 2015

From: Mark Durham, Manager
Research and Statistics Section

Subject: **2016 TIMBER YIELD TAX RATE
DECEMBER 2015 – Board Meeting**

Section 38202 of the Revenue and Taxation Code requires an annual adjustment of the timber yield tax rate based upon the change in the average rate of general property taxation in the 17 rate adjustment counties between the current tax year and the preceding tax year.

We estimate the rate of general property taxation in the 17 counties decreased from 1.076 percent in 2014-15 to 1.074 percent in 2015-16.

Applying the proportional change between 1.076 percent and 1.074 percent to the 2015 timber yield tax rate of 2.9 percent does not call for any adjustment, when the rate is rounded to the nearest one-tenth of one percent as required by statute.

The staff recommends the adoption of a 2.9 percent timber yield tax rate for 2016.

MD:bb;jm

Attachment

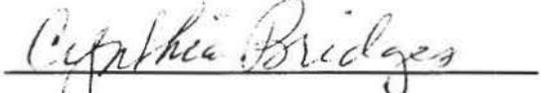
cc: Mr. Randy Ferris
Mr. David Gau
Ms. Joann Richmond
Mr. Michele Pielsticker
Mr. David Yeung
Mr. Ken Thompson
Mr. Bill Benson

Recommendation by:



**Mark Durham, Manager
Research and Statistics Section**

Approved:



**Ms. Cynthia Bridges
Executive Director**

BOARD APPROVED
at the 12/16/15 Board Meeting



**Joann Richmond, Chief
Board Proceedings Division**

CALCULATION OF 2016 TIMBER YIELD TAX RATE

2014-15 Average Tax Rate in Timber Adjustment Counties:

\$	1,805,810,000	Levies
	<u>167,827,405,000</u>	Assessed Value
	1.076%	Tax Rate

2015-16 Average Tax Rate in Timber Adjustment Counties:

\$	1,912,657,000	Levies
	<u>178,053,949,000</u>	Assessed Value
	1.074%	Tax Rate

2016 Timber Yield Tax Rate:

$$2.9\% \times (1.076/1.074) = 2.9\%$$

November 2015
Research and Statistics Section
State Board of Equalization