

Memorandum

To: Ms. Kristine Cazadd
Executive Director

Date: November 23, 2011

From: Robert Ingenito, Chief
Research and Statistics Section

Subject: **2012 TIMBER YIELD TAX RATE
DECEMBER 14, 2011 - HEARING**

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 increased from 1.064 percent in 2010-11 to 1.072 percent in 2011-12

Applying the proportional change between 1.064 percent and 1.072 percent to the 2011 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 2012.

RI:jm

Attachment

cc: Mr. Randy Ferris
Mr. David Gau
Ms. Diane Olson
Ms. Margaret S. Shedd
Mr. David Yeung

Recommendation by:



Robert Ingerito Jr., Chief
Research and Statistics Section

Approved:



Ms. Kristine Cazadd
Executive Director

BOARD APPROVED
at the _____ Board Meeting

Diane Olson, Chief
Board Proceedings Division

CALCULATION OF 2012 TIMBER YIELD TAX RATE

2010-11 Average Tax Rate in Timber Adjustment Counties:

\$	1,701,472,000	Levies
	<u>159,921,101,000</u>	Assessed Value
	1.064%	Tax Rate

2011-12 Average Tax Rate in Timber Adjustment Counties:

\$	1,591,833,000	Levies
	<u>148,455,980,000</u>	Assessed Value
	1.072%	Tax Rate

2012 Timber Yield Tax Rate:

$$2.9\% \times (1.072/1.064) = 2.9\%$$

November 2011
Research and Statistics Section
State Board of Equalization