

Memorandum

To : Mr. Ramon J. Hirsig
Executive Director

Date : November 21, 2005

From : David E. Hayes, Manager
Research and Statistics Section

Subject: **2006 TIMBER YIELD TAX RATE
DECEMBER 13, 2005 - 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 1.039 percent in 2004-05 to 1.044 percent in 2005-06.

Applying the proportional change between 1.039 percent and 1.044 percent to the 2005 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.

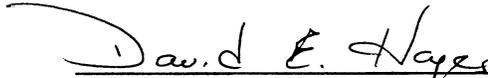
The staff recommends the adoption of a 2.9 percent timber yield tax rate for 2006.

DEH:ems

Attachment

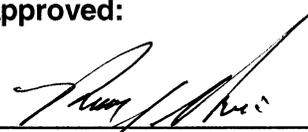
cc: Mr. David Gau
Ms. Kristine Cazadd
Ms. Margaret S. Shedd
Ms. Mickie Stuckey
Ms. Deborah Pellegrini

Recommendation by:



David E. Hayes, Manager
Research and Statistics Section

Approved:



Mr. Ramon J. Hirsig
Executive Director

BOARD APPROVED
at the _____ **Board Meeting**

Deborah Pellegrini, Chief
Board Proceedings Division

CALCULATION OF 2006 TIMBER YIELD TAX RATE

2004-05 Average Tax Rate in Timber Adjustment Counties:

\$	1,229,704,000	Levies
	<u>118,382,348,000</u>	Assessed Value
	1.039%	Tax Rate

2005-06 Average Tax Rate in Timber Adjustment Counties:

\$	1,376,270,000	Levies
	<u>131,811,017,000</u>	Assessed Value
	1.044%	Tax Rate

2006 Timber Yield Tax Rate:

$$2.9\% \times (1.044/1.039) = 2.9\%$$

November 2005
Research and Statistics Section
State Board of Equalization