

Memorandum

To : Mr. Timothy W. Boyer
Interim Executive Director

Date : November 18, 2003

From : David E. Hayes, Manager

Subject: **2004 TIMBER YIELD TAX RATE
DECEMBER 4, 2003 - 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 decreased from 1.041 percent in 2002-03 to 1.040 percent in 2003-04.

Applying the proportional change between 1.041 percent and 1.040 percent to the 2003 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 2004.

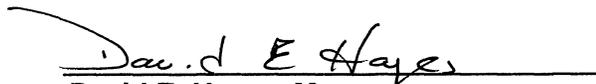


DEH:ems

Attachment

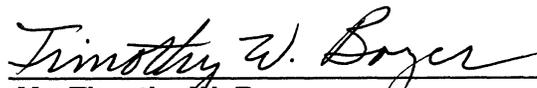
cc: Mr. David Gau
Ms. Kristine Cazadd
Ms. Margaret S. Shedd
Ms. Mickie Stuckey
Ms. Deborah Pellegrini

Recommendation by:



David E. Hayes, Manager
Research and Statistics Section

Approved:



Mr. Timothy W. Boyer
Interim Executive Director

BOARD APPROVED
at the _____ Board Meeting

Deborah Pellegrini, Chief
Board Proceedings Division

CALCULATION OF 2004 TIMBER YIELD TAX RATE

2002-03 Average Tax Rate in Timber Adjustment Counties:

\$	1,009,775,000	Levies
	<u>96,969,390,000</u>	Assessed Value
	1.041%	Tax Rate

2003-04 Average Tax Rate in Timber Adjustment Counties:

\$	1,123,311,000	Levies
	<u>108,044,318,000</u>	Assessed Value
	1.040%	Tax Rate

2004 Timber Yield Tax Rate:

$$2.9\% \times (1.040/1.041) = 2.9\%$$

November 2003
Research and Statistics Division
State Board of Equalization