



STATE BOARD OF EQUALIZATION

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November 20, 1987

DOUGLAS D. BELL
Executive Secretary

No. 87/94

TO: COUNTY ASSESSORS, COUNTY COUNSELS
AND OTHER INTERESTED PARTIES

Adjustment of 1988 Timber Yield Tax Rate

The State Board of Equalization will conduct a public hearing on proposed adjustments for the 1988 timber yield tax rate on Wednesday, December 1, 1987 at 2:00 p.m. in Room 102, 1020 N Street, Sacramento, California.

The yield tax rate for 1987 is 2.9%; staff calculations indicate a continued rate of 2.9% for 1988.

The Revenue and Taxation Code requires that the Board adjust the timber yield tax rate in December of each year to the nearest one-tenth of one percent for the next calendar year. The adjustment is to be in the same proportion as the change from the previous tax year to present one of the average general property tax rate in the rate adjustment counties. The rate adjustment counties are Alpine, Del Norte, El Dorado, Glenn, Humboldt, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Yuba.

Any information presented in writing or at the public hearing will be considered before final Board adoption on December 1, 1987 of the adjustment to the rate.

Written comments are welcome and should be directed to Janice Masterton, Assistant to Executive Secretary, before the hearing. If you wish to present testimony at the hearing, please notify Mrs. Masterton by mail at the above address or by telephone at (916) 445-6479.

Sincerely,

Douglas D. Bell

Douglas D. Bell
Executive Secretary

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from land owned by a federal agency or any other person or agency or entity exempt from property taxation under the Constitution or laws of the United States or under the Constitution or laws of the State of California. "Timber owner" includes any person who owns or acquires legal title or beneficial title to downed timber in this state.

"Timber owner" also includes the seller of timber located on land owned by that seller if the timber sales agreement, contract, or other document provides for the payment of the purchase price on the basis of actual timber volume scaled and does not contain a passage of title clause.

History.—Stats. 1978, Ch. 1112, in effect January 1, 1979, substituted "property" for "state" after "exempt from" in the first sentence. Stats. 1981, Ch. 847, in effect January 1, 1982, added the second paragraph.

38105. "Rate adjustment county." "Rate adjustment county" means the following counties: Alpine, Del Norte, El Dorado, Glenn, Humboldt, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Yuba.

38106. "Person." "Person" includes any individual, firm, copartnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, this state, any county, city and county, municipality, district, or other political subdivision of the state, or any other group or combination acting as a unit.

38107. "Tax rate area." [Repealed by Stats. 1983, Ch. 1281, in effect September 30, 1983.]

38108. "Scaling date." "Scaling date" means the date when the quantity of timber harvested, by species, is first definitely determined.

Except for national forest timber, the scaling date shall be no later than the date of delivery of the felled trees to the storage or wood-processing area, whichever is first, or an alternative approved by the board. For national forest timber, the definitely determined timber volume included in forest service, United States Department of Agriculture, billing statements to timber sale contract holders, or an alternative approved by the board after a public hearing, shall be the basis for tax payment.

History.—Stats. 1979, Ch. 563, in effect September 10, 1979, added ", or an alternative approved by the Board after a public hearing," after "holders" in the second sentence of the second paragraph. Stats. 1981, Ch. 714, in effect January 1, 1982, substituted "United States Department of Agriculture" for "USDA" in the second sentence of the second paragraph.

38109. "Immediate harvest value." "Immediate harvest value" means the amount that each species or subclassification of timber would sell for on the stump at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. Such immediate harvest values shall be expressed in terms of amount to the nearest dollar per thousand board feet, net Scribner Decimal C log rule, or other unit of measure chosen by the board, and shall be determined in a manner which makes reasonable and adequate allowances for age, size, quality, costs of removal, accessibility to point of conversion, market conditions and all other relevant factors as determined by the board.

For the purposes of this section, the immediate harvest value of Christmas trees shall be the sale price of the Christmas trees in quantities of 100 trees or more in the market area nearest to the place where the trees are cut.

Prior to December 31, 1976, and periodically thereafter as determined by the board, the board in consultation with the Timber Advisory Committee and with the California Division of Forestry and after public hearings, shall adopt rules and regulations establishing a standard unit of measure and establishing conversion factors which convert prevalent units of measure in use in California to Scribner Decimal C log rule or other unit of measure chosen as a standard.

Immediate harvest value.—The definition of "immediate harvest value" manifestly encompasses old growth as well as young growth. *Soper-Wheeler Co. v. State Board of Equalization*, 124 Cal. App. 3d 913.

38110. "Yield tax." "Yield tax" means the dollar amount derived by multiplying the net volume of harvested timber by the appropriate immediate harvest value per unit and by the yield tax rate.

CHAPTER 2. IMPOSITION OF THE TAX

§ 38115. Imposition and rate of timber yield tax.

38115. Imposition and rate of timber yield tax. A timber yield tax is hereby imposed on every timber owner who harvests his timber or causes it to be harvested on or after April 1, 1977, and on every timber owner of felled or downed timber who acquires title to such felled or downed timber in this state from an exempt person or agency described in Section 38104 on or after that date, and on every person who, without authorization, intentionally or unintentionally harvests or causes to be harvested timber owned by another, at the rate of 6 percent of the total immediate harvest value of that timber or at such other rate as may be fixed pursuant to Chapter 3 (commencing with Section 38202) of this part. The immediate harvest value shall be determined as of the scaling date.

History.—Stats. 1977, Ch. 953, in effect September 17, 1977, added "on or" between "38104" and "after". Stats. 1981, Ch. 947, in effect January 1, 1982, added "and on every another," after "date" in the first sentence.

CHAPTER 3. DETERMINATION OF RATES

- § 38202. Adjustment of yield tax rate.
- § 38203. Certification of yield tax rate.
- § 38203.5. Certification of yield tax rates for 1979, 1980, 1981, and 1982.
- § 38204. Designation of timber value areas.
- § 38205. Review by Legislative Analyst. [Repealed.]

38202. Adjustment of yield tax rate. During December, 1978, and December of each subsequent year, after public hearings, the board shall adjust the yield tax rate to the nearest one-tenth of 1 percent in the same proportion that the average rate of general property taxation in the rate adjustment counties in the current tax year differs from the average rate of general property taxation in the rate adjustment counties in the preceding tax year. The board shall compute the average rate of general property taxation in the rate adjustment counties by (a) adding the county, city, school district, and other general taxes, but not the special taxes on intangibles, aircraft, or any other property, which is subject to a