

Repeal Sections 38203.5 and 38907 of the Revenue and Taxation Code to delete obsolete date specific laws. (Technical)

Source: Property and Special Taxes Department and Legal Department

Existing Law:

Revenue and Taxation Code Section 38203.5 was added following the adoption of the Timber Yield Tax in the late 1970's in order to transition from the ad valorem property taxation of timber to the Timber Yield Tax. The purpose of this section was to avoid the public expense and taxpayer confusion that would result from collecting additional taxes for the 1979 year while at the same time refunding excessive taxes for the 1980 year where, in many instances, comparable amounts would be collected from and refunded to the same taxpayers. The purpose of this section was also to avoid the public expense and taxpayer confusion that would result from reducing the 1981 yield tax rate and increasing the 1981 reserve fund tax rate by identical and hence, offsetting percentages. At this time the timber yield tax has been fully implemented, which makes this statute obsolete.

Revenue and Taxation Code Section 38907 was added following the adoption of the Timber Yield Tax in the late 1970's in order to transition from the ad valorem property taxation of timber to the Timber Yield Tax. Section 38907 requires that the Controller certify for a specified period the amount necessary to restore the deficient allocations plus the amount necessary to bring the Timber Tax Reserve Fund required by section 38905 to five million dollars. Section 38905 which provided for the restoration of any deficient allocations for the Timber Tax Reserve Fund was repealed in 1982 (Ch. 1058) and section 38902, which provided for the Timber Tax Reserve Fund, was repealed in 1984 (Ch. 678).

This Proposal:

This proposal simply deletes provisions that are date specific and subsequently are obsolete.

Sections 38203.5 of the Revenue and Taxation Code is repealed:

~~38203.5. No adjustment of yield tax rates for the years 1979, 1980, or 1981 shall be made to reflect any portion of the property tax rate levied on the unsecured roll for the 1978-79 tax year, less the rate for voter-approved debt, which is in excess of four dollars (\$4) per one hundred dollars (\$100) of assessed value. The yield tax rate for 1982, however, shall be calculated as if the yield tax rates for those years had been adjusted to reflect the excess property tax rates.~~

Sections 38907 of the Revenue and Taxation Code is repealed:

~~38907. On or before December 2, 1978, and each December 1 each year thereafter to and including December 1, 1981, the Controller shall certify to the State Board of Equalization the amount necessary to restore any deficient allocations as provided for in subdivision (c) of Section 38905, plus the amount needed to bring the current balance of the Timber Tax Reserve Fund up to five million dollars (\$5,000,000).~~