

Memorandum

To: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, First District
Senator George Runner (Ret.), Second District
Honorable John Chiang, State Controller

Date: November 26, 2014

From: Mark Durham, Manager 
Research and Statistics Section

Subject: **2015 TIMBER YIELD TAX RATE
DECEMBER 2014 – Board Meeting**

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 1.073 percent in 2013-14 to 1.076 percent in 2014-15.

Applying the proportional change between 1.073 percent and 1.076 percent to the 2014 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.

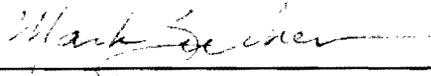
The staff recommends the adoption of a 2.9 percent timber yield tax rate for 2015.

MD:bb;jm

Attachment

cc: Mr. Randy Ferris
Mr. David Gau
Ms. Joann Richmond
Mr. Michele Pielsticker
Mr. David Yeung
Mr. Ken Thompson
Mr. Bill Benson

Recommendation by:



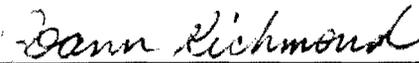
**Mark Durham, Manager
Research and Statistics Section**

Approved:



**Ms. Cynthia Bridges
Executive Director**

BOARD APPROVED
at the 12/18/14 Board Meeting



**Joann Richmond, Chief
Board Proceedings Division**

CALCULATION OF 2015 TIMBER YIELD TAX RATE

2013-14 Average Tax Rate in Timber Adjustment Counties:

\$	1,721,601,000	Levies
	<u>160,432,956,000</u>	Assessed Value
	1.073%	Tax Rate

2014-15 Average Tax Rate in Timber Adjustment Counties:

\$	1,805,810,000	Levies
	<u>167,827,405,000</u>	Assessed Value
	1.076%	Tax Rate

2015 Timber Yield Tax Rate:

$$2.9\% \times (1.073/1.076) = 2.9\%$$

November 2014
Research and Statistics Section
State Board of Equalization