

California
**State Board
Of Equalization**

State-Assessed Properties Division
Private Rail Car Tax Rate
Board Meeting - July 2018

ITEM K3.2
07/24/18



Private Railroad Car

What, who and how?

What is the Private Railroad Car Tax (PRCT)?

- The PRCT is an in-lieu property tax on railroad cars owned by non-railroad companies and operated upon California railroads.
- The tax paid is based on the number of days the cars were physically in the state.
- The rate is applied to the assessed value of the cars to calculate the tax.

Who pays the tax?

- Private Railroad Car owners pay the tax.

How is the tax used?

- Private Railroad Car tax is a state tax.
- The tax is administered and collected by the BOE. The tax revenue goes to the state's General Fund.

Private Railroad Car

Calculation, effective dates, and current rate

How is it calculate?

- In accordance with Revenue and Taxation Code section 11403, the Private Railroad Car tax rate is the previous year's average rate of taxation throughout the state.

When is it set and how is it effective?

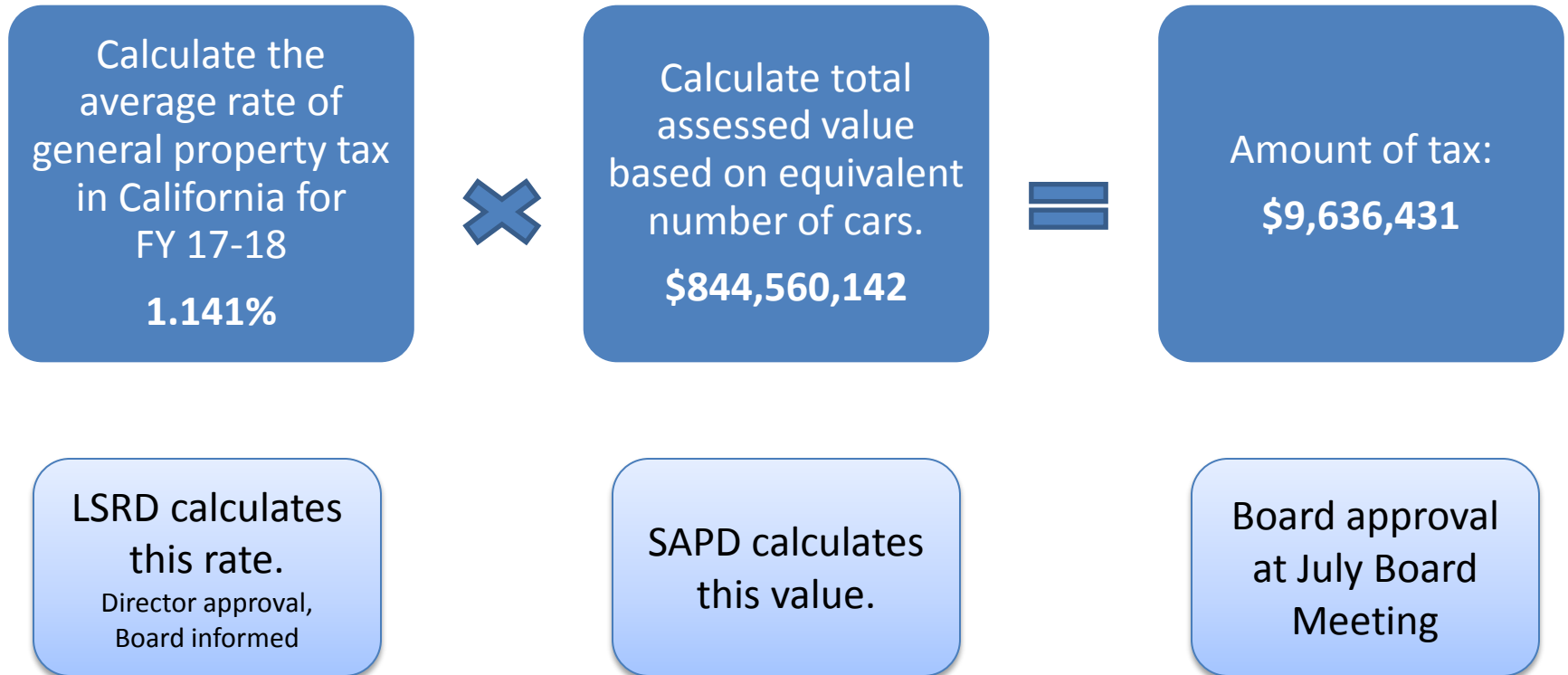
- The BOE is required to levy the tax on private railroad cars on or before October 1 each year/ The Board is informed of the rate in July, the same month the Board adopts the Private Railroad Car Tax Roll.
- The BOE Director approves the rate and it is effective for the fiscal year.

What is the current rate?

- FY 2017-18: 1.141%
- FY 2018-19: 1.149%

Private Railroad Car

BOE components and how they fit



Private Railroad Car Tax Rate

Components of the PRCT calculation (1.149 percent)

$$\text{PRCT Rate} = \frac{\text{Total Levies - Non Total Property Levies}}{\text{Net Assessed Value}}$$

Private Railroad Car

Total assessed values and taxes over the years

FY	Equivalent # of Cars	Total Full Value Per R&T Code Sec 11292	Total Assessed Value	Tax Rate	Amount of Tax
2014	28,917	\$1,056M	\$807M	1.103%	\$8.9M
2015	30,854	\$1,168M	\$866M	1.141%	\$9.9M
2016	28,887	\$1,185M	\$793M	1.140%	\$9.0M
2017	30,492	\$1,316M	\$845M	1.141%	\$9.6M
2018				1.149%	