

Memorandum

To: Honorable Fiona Ma, CPA, Chairwoman
Honorable Diane L. Harkey, Vice Chair
Honorable George Runner, First District
Honorable Jerome E. Horton, Third District
Honorable Betty T. Yee, State Controller

Date: November 23, 2016

From: Mark Durham, Chief
Research and Statistics Section

Subject: **2017 TIMBER YIELD TAX RATE
DECEMBER 2016 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 1.074 percent in 2015-16 to 1.075 percent in 2016-17.

Applying the proportional change between 1.074 percent and 1.075 percent to the 2016 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.

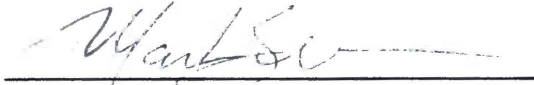
The staff recommends the adoption of a 2.9 percent timber yield tax rate for 2017.

MD:bb:jm

Attachment

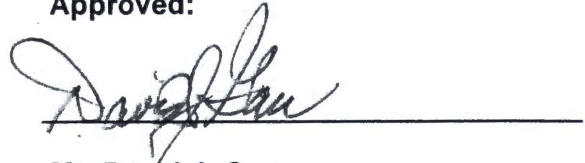
cc: Ms. Brenda Fleming
Mr. Robert Tucker
Ms. Joann Richmond
Ms. Michele Pielsticker
Mr. Dean Kinnee
Mr. David Yeung
Mr. Bill Benson

Recommendation by:



Mark Durham, Chief
Research and Statistics Section

Approved:



Mr. David J. Gau
Executive Director

BOARD APPROVED
at the 12/14/16 Board Meeting



Joann Richmond, Chief
Board Proceedings Division

CALCULATION OF 2017 TIMBER YIELD TAX RATE

2015-16 Average Tax Rate in Timber Adjustment Counties:

\$	1,912,657,000	Levies
	<u>178,053,949,000</u>	Assessed Value
	1.074%	Tax Rate

2016-17 Average Tax Rate in Timber Adjustment Counties:

\$	2,094,438,000	Levies
	<u>194,787,291,000</u>	Assessed Value
	1.075%	Tax Rate

2017 Timber Yield Tax Rate:

$$2.9\% \times (1.074/1.075) = 2.9\%$$

November 2016
Research and Statistics Section
State Board of Equalization