

Mills Act Tax Assessment Worksheet



Annual Property Income

Monthly Rental Income	<i>An estimate of monthly rental income is required, even if the property is owner occupied. For single-family residences, a realtor may be able to assist you in determining the potential rental income from your property.</i>	3800-
Annual Rental Income	<i>Multiply monthly rental income by 12.</i>	45600-

Annual Operating Expenses

Insurance		1134-
Utilities	<i>Electricity, Water, Gas.</i>	4896-
Maintenance	<i>General Repairs, Cleaning, Painting, Landscaping.</i>	3520-
Total Expenses	<i>Add total expenses. Total expenses typically equal approximately 25% of annual rental income.</i>	9550-

Annual Net Income

Net Total	<i>Annual rental income minus total expenses.</i>	36,050-
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Capitalization Rate

Interest Rate Component	<i>Fixed interest rate established by the Board of Equalization for most recent year. [4.0%]</i>	6.25%
Historic Property Tax Risk Component	<i>4.0% for single-family residences</i>	4%
	<i>2.0% for all other properties</i>	1%
Property Tax Component	<i>Fixed Component [1.0%]</i>	
Amortization Component	<i>Based on life of improvements. [Typically 0.67%]</i>	.67%
Capitalization Rate	<i>Add individual components above.</i>	11.92%

Assessed Value

Historic Property Value	<i>Net total divided by capitalization rate.</i>	429,716
Current Assessed Value	<i>From current property tax bill.</i>	686,033

Estimated Tax Reduction

Current Tax	<i>General levy tax portion only. Does not include sewer assessments, bond issues, or other voter indebtedness.</i>	68600
Estimated Tax under Mills Act	<i>1.0% of Historical Property Value. Provided as an estimate of potential tax savings.</i>	4,297.