



Mills Act Tax Assessment Worksheet

Annual Property Income		
Monthly Rental Income	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.	\$6,000
Annual Rental Income	Multiple monthly rental income by 12.	\$72,000
Annual Operating Expenses		
Insurance		\$3,400
Utilities	Electricity, Water, Gas.	\$9,000
Maintenance	General Repairs, Cleaning, Painting, Landscaping.	\$12,000
Total Expenses	Add total expenses. Total expenses typically equal approximately 25% of annual rental income.	\$24,400
Annual Net Income		
Net Total	Annual rental income minus total expenses.	\$47,600
Capitalization Rate		
Interest Rate Component	Fixed interest rate established by the Board of Equalization for most recent year. [4.0%]	6.25%
Historic Property Tax Risk Component	4.0% for single-family residences 2.0% for all other properties	4.0%
Property Tax Component	Fixed Component [1.0%]	1%
Amortization Component	Based on life of improvements. [Typically 0.67%]	.67%
Capitalization Rate	Add individual components above.	11.92%
Assessed Value		
Historic Property Value	Net total divided by capitalization rate.	\$399,328
Current Assessed Value	From current property tax bill.	\$957,481
Estimated Tax Reduction		
Current Tax	General levy tax portion only. Does not include sewer assessments, bond issues, or other voter indebtedness.	\$9,574.81
Estimated Tax under Mills Act	1.0% of Historical Property Value. Provided as an estimate of potential tax savings.	\$3,993