

How to Calculate your Taxes

The maximum property tax cannot exceed 1% of a property's assessed value, plus bonded indebtedness approved by the voters, fees, improvement bonds, and special assessments.

Items Collected on the Tax Bill

A tax bill may include other special assessments that are not property taxes but are assessments collected by the County Tax Collector acting for the public agency which imposed them. These include improvement bonds, Mello-Roos bonds, service fees, liens, and direct assessments. Each special assessment is listed by agency and dollar amount. Questions about these charges should be directed to the appropriate agency.

Property Tax on the Value of Property

Santa Clara County is divided into about 800 tax rate areas, each having a unique combination of taxing agencies and special assessments. A typical Tax Rate Area has tax rates per \$100 of assessed value that includes a base rate of 1% of value = \$1.00, county bonds = \$0.0388, school bonds = \$0.100, water bonds = \$0.010, total = \$1.1488.

The tax bill calculation for a home with an assessed value of \$500,000 located in the typical tax rate area would be as follows:

<u>Assessed Value</u>	<u>Tax Rate per \$100</u>	<u>Tax</u>
\$500,000	1.1488	\$5,744.00
Less Homeowners exemption		
\$7,000	1.1488	(\$80.42)
Total Property tax		\$5,663.58

Allocation of Property Tax Revenue

Tax collections are allocated by the County Controller's Office. Special assessments and bond payments are paid directly to the agency which imposed them. For fiscal year 2008-09, the 1% base tax rate was allocated to all local governments as follows:

School Districts	45 %
Redevelopment Agencies	10 %
Cities	14 %
County General Fund	18 %
Community Colleges	7 %
Special Districts	6 %

Property Tax Exemptions

The exemption to which most taxpayers are entitled is the Homeowner's Exemption. People who own and occupy a dwelling, as their principal place of residence on the lien date (January 1) are eligible to receive an exemption of up to \$7,000 of the dwelling's assessed value. The law provides that once a Homeowner's Exemption claim is filed, it is not necessary to file each year as long as the residence continues to be owned and occupied by the property owner.

State law also provides for Disabled Veterans Exemption. Totally disabled veterans rated 100% service connected may receive up to a \$150,000 reduction on the assessed value of their home. Unmarried surviving spouses of 100% service connected disabled veterans and unmarried surviving spouses of persons who died while on active duty, rated as service connected, may also qualify for this exemption.

Exemption claim forms are mailed to new homeowners who have recorded a change in ownership during the last 12 months. If you have not received a claim form by January 15, and believe you are eligible for the Homeowner's Exemption, call the Assessor's Office (299-6460) to request that the claim form be sent to you.

Terms You Should Know

Adjusted Base Value: A property's base value will be adjusted each year by the change in the California Consumer Price Index (CPI), but not by more than 2%. The adjusted base value is the upper limit of taxable value each year.

Base Year: The assessment year 1975-76 serves as the original base year. Thereafter, any assessment year in which real property, or a portion thereof, is purchased, is newly constructed, or changes ownership will become the base year used in determining the full cash value for such real property, or the portion thereof.

New Base Year Value: Full cash value of property on the date it changes ownership or new construction on the date it is completed.

Improvements: The value of buildings or structures existing on the land whether new or old. Improvements may also include certain commercial and industrial fixtures and some commercial farm plants and vines.

Newly Constructed: The construction of new buildings, an addition to an existing building, or the alteration of existing buildings, if the alteration converts the property to another use or extends the economic life of the improvement.

Personal Property: Any property owned other than real estate including airplanes, boats, and business property such as computers, supplies, furniture, machinery or equipment. Business inventory is exempt.

Secured Property: Property on which the property taxes are a lien against real estate.

Special Assessments: Direct charges against property which are included in the total tax bill but which are not based upon the Assessor's valuation of the property. Examples include a sewer service charge, a school parcel tax, or a library benefit assessment.

Tax Rate: The maximum ad valorem (on the value) property tax rate is 1% of the net assessed value of property. In addition, the rate will include an amount necessary to make the annual payment of principle and interest on general obligation bonds or other indebtedness approved by the voters. This tax rate is divided among the County, cities, schools and special districts.

Unsecured Property: Property on which the property taxes are not a lien against the real estate where they are situated including personal property or improvements located on leased land.

For Information About Assessments

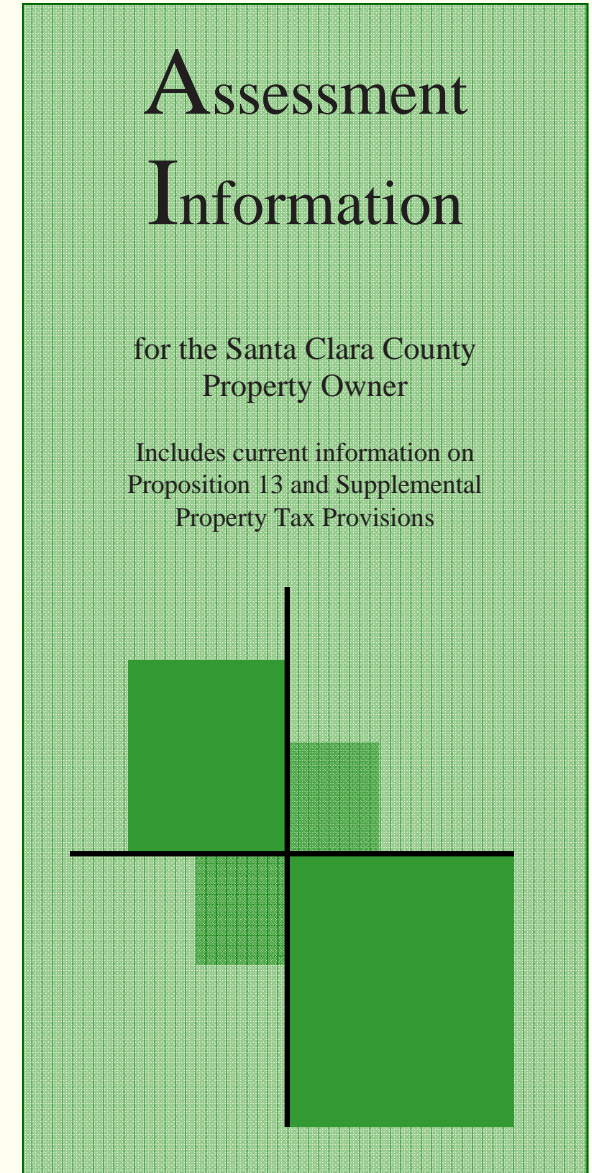
Our website provides information on how to reduce your property taxes, access to downloadable forms, and answers to frequently asked questions. The website provides a look up tool to access parcel maps, assessed values, and other information.

Contact Information

Website	www.sccassessor.org
Real Property Value	(408)299-5300 (rp@asr.sccgov.org)
Business, mobilehomes, boats, planes	(408)299-5400 (busdiv@asr.sccgov.org)
Property Tax Exemptions	(408)299-6460 (Exemptions@asr.sccgov.org)
Change in Ownership	(408)299-5540 (Propertytransfer@asr.sccgov.org)
Mapping	(408)299-5550 (Mapping@asr.sccgov.org)
Your APN or Owner's Name FAX	(408) 299-5500 Public Service (408)298-9446

For more information about a tax bill, payments, delinquency, or the phone number of the appropriate agency to contact about a special assessment, contact the Tax Collector at (408) 808-7900 or go to www.scctax.org

For filing of Assessment Appeals, call (408)299-5001 or contact: Clerk of the Assessment Appeals Board
County Government Center, Tenth Floor, East Wing
70 West Hedding Street
San Jose, CA 95110
www.sccgov.org/portal/site/cob



LAWRENCE E. STONE
Assessor



Office of the Assessor, County of Santa Clara
County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110-1771
www.sccassessor.org

What does the Assessor do?

The Assessor is responsible for locating all taxable property in the County, identifying ownership, establishing a value for all property subject to local property taxation, listing the value of all property on the assessment roll, and applying all legal exemptions. Contrary to popular opinion, the Santa Clara County Assessor does not compute property tax bills, collect property taxes, establish property tax laws, set rules by which property is appraised, or set property tax rates. To keep track of the taxable parcels of real property and their location, a staff of professional drafting technicians prepares and maintains a set of Assessor's parcel maps, consisting of over 200 map books. Santa Clara County contains over 460,000 property parcels. There are over 75,000 changes in ownership of property annually, as reflected by deeds filed in the County Recorder's Office. To establish the value of any parcel of property, the Assessor may need to know the purchase price (if any), the selling price of similar properties, the replacement cost, operating and repair costs, rental income the property may generate and other relevant facts affecting the property's value.

Property Assessments and Proposition 13

Passed by the voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property in California. It restricts both the tax rate and the rate of increase in valuation of real property as follows:

- The maximum amount of property tax cannot exceed 1% of a property's taxable value, plus bonds approved by the voters, service fees, improvement bonds, and special assessments.
- A property's original base value is its market value at time of acquisition. A new base value is set by reappraisal whenever there is a change in ownership or new construction. Except for change in ownership or new construction, the base value is increased by 2% per year (or less if the California CPI is less than 2%).
- Personal property, boats, airplanes and certain restricted properties are subject to annual reappraisal of value.

Decline in Value (Proposition 8)

Whenever the current value of a property declines below its upper limit as set by the adjusted base value, there will be a temporary reduction in assessed value. Each year thereafter, the value will be set at either its adjusted base value or its current value, whichever is lower. However, in any year, the current assessed value can be increased by more than 2% until the current market value equals the current adjusted base value.

For more information on Proposition 8 (decline in value), go to www.sccassessor.org/prop8.

Change in Ownership Reappraisals

When a transfer occurs, the Assessor determines if a reappraisal is required under State law. If required, an appraisal is made to determine the new base value of the property. The sales price, if known, is a strong indicator, but not the sole factor in setting the value. The property owner is then notified of the new assessment and has the right to appeal both the value and the reappraisal decision. The reappraisal of property acquired by inheritance from an estate or living trust occurs as of the date of the death of the former owner, not on the date of distribution to the beneficiary. An assessment will be made in the name of the estate even if the property is sold rather than distributed to the heirs.

Exclusions from Reappraisal

Some changes in ownership can be excluded from reappraisal, if a timely claim is filed with the Assessor's Office. Claim forms are available on-line at www.sccassessor.org. Some of the common exclusions include: 1) the transfer of property between parents and children, 2) replacement of a principal residence by a disabled person, 3) senior citizens over age 55 who replace their principal residence with one of equal or lesser value. If the replacement residence is not in Santa Clara County, the Assessor of the new county should be contacted to determine if a transfer of the base value will be accepted.

Preliminary Change in Ownership Report

State law requires the transferee to file a Preliminary Change in Ownership Report with the County Recorder (PCOR) when recording certain documents. Failure to file this form will result in an additional recording fee of \$20.00. Information furnished on this form is needed to assist the Assessor in fulfilling certain legal responsibilities. It is not a public document.

New Construction Reappraisal

Copies of all building permits are forwarded to the Assessor by each city and the County. If the construction is new (such as a room addition), a reappraisal is required. Maintenance work does not create a reappraisal. In appraising new construction, the market value is determined and added to the value of the existing property. The appraised value of the existing property does not change.

Important Dates for Property Owners

January 1- The lien date for the assessment of property on the assessment roll is 12:01 AM, on January 1 of each year.

February 15- Legal deadline to file claims timely for all exemptions including but not limited to, homeowner, disabled veteran, cemetery, church, college and welfare exemptions

April 1- Deadline to file Business Property Statements.

April 10-Last day to pay second installment of secured property taxes without penalty.

When notified of the value of new construction, the property owner may appeal either the value or the reappraisal decision. Certain types of new construction for the residence of a disabled person, to add fire sprinklers, to retrofit unreinforced masonry buildings and to make disaster repairs may be excluded from reappraisal. Claim forms are available on-line or at the customer service counter.

Supplemental Assessment

Whenever there is a reappraisal due to a change in ownership or to the completion of new construction, a **Supplemental Assessment** is issued. The supplemental tax bill will be based on the difference between the prior value and the new reappraisal. This value is prorated for the number of months remaining in the fiscal year ending June 30. The supplemental tax bill is separate, and in addition to, the regular tax bill. Usually, it is not prorated in escrow during purchase, nor is it paid by the lender through an impound account.

Prior to the issuance of the supplemental tax bill, a notice of supplemental assessment will be mailed to the owner at the address of record. The owner has the right to file an application appealing the value or the reappraisal decision within 60 days of the date of the notice.

Business Personal Property

Unlike real property, business property is appraised annually. All business owners must file a property statement each year detailing costs of all supplies, equipment, fixtures and improvements at each location. Business inventory is exempt from taxation.

Boats and Airplanes

Boats and airplanes are taxable and subject to annual appraisal. Their value is determined by reviewing the purchase price and the sales of comparable boats and airplanes. Information on their location and ownership is obtained from the Department of Motor Vehicles, the U.S. Coast Guard, Federal Aeronautics Administration and on-site inspections.

July 1- Assessment Roll delivered to the County Controller.

July 2- September 15- Period for filing application for assessment appeal hearing with the Clerk of the Appeals Board.

August 31- Last day to pay unsecured taxes without penalty.

December 10- Last day to pay first installment of secured property taxes without penalty and deadline to file a late exemption for homeowners and veterans.

Mobilehomes

All new mobilehomes purchased after June 30, 1980, and those on permanent foundations, are subject to property taxes. As with real property, the assessed value of mobile homes is subject to the limitations of Proposition 13. Unless voluntarily converted to local tax assessment, mobilehomes bought before June 30, 1980 are generally not subject to property taxes. Instead, license fees paid through the State Department of Housing and Community Development (1-800-952-8356) are required.

Notification

Assessment notices are mailed to property owners annually in late June stating the taxable value of the property. Notices are mailed to the property owner's address as shown in the Assessor's records. If you disagree with the Assessor's valuation of your property, you may present to the Assessor's Office before August 15, any pertinent information which you consider important to determine the market value of your property. If the Assessor agrees that a reduction is appropriate, the value can be corrected. After August 15, or if the Assessor does not agree to a reduction, you must file a "formal" appeal with the Assessment Appeals Board to request relief.

Assessment Appeal Application

For the regular tax bill, an application must be filed between July 2 and September 15 with the Clerk of the Appeals Board. For a supplemental assessment, escape assessment or roll correction, the application must be filed within 60 days of the date of the notice. Note that filing an appeal does not invalidate nor extend the delinquency date of the tax bill.

Effect of an Appeal on Your Tax Bill

•If the Appeals Board orders a decline in current value below the property's adjusted base value (its upper limit), the reduction in value, and corresponding reduction in taxes, applies only to the tax bill for the year in which the application was filed. The Board's value has no effect on the property's value or taxes in subsequent years.

•If the Board orders a change in the base year value as set by the Assessor for new construction or change in ownership, the reduction in value applies to the tax bill(s) for the year the application was filed, and it establishes the base value for future years. It applies to supplemental or corrected tax bills only if the application was filed within 60 days of the notice of supplemental assessment or notice of roll correction.

• A review of the decision to reappraise a property can be heard by the Legal Hearing Officer.