

From the Silicon Valley Business Journal:

<http://www.bizjournals.com/sanjose/news/2016/12/13/small-business-owners-will-primarily-benefit-from.html>

Small business owners will primarily benefit from new county tax break

Dec 13, 2016, 1:58pm PST

If you own the right property in Santa Clara County — really cheap stuff, and there is some of it around — there's a holiday bonus coming to you.

The Board of Supervisors unanimously approved a recommendation from County Assessor Larry Stone on Tuesday to increase the number of property owners who can take advantage of a "too low to assess" exclusion effective New Year's Day.



FILE PHOTO

Larry Stone, Santa Clara County Assessor.

Join the conversation: Follow @SVbizjournal on Twitter, "Like" us on Facebook and sign up for our free email newsletters.

What the ordinance effectively does is eliminate tax bills of \$100 or less and will primarily affect small businesses, according to Stone, who said the cost of assessing and billing for that kind of property exceeds the revenue the county receives from it.

“When I was first elected, I promised that the assessor would be eliminated from the tax roll, as mentioned in a release. “I guess I need to update that; the assessor’s office is now assessing properties of \$100 or less.”

About 7,600 of the county’s 70,000 businesses will be affected by the changes, according to the assessor’s office.

The ordinance has two components. The first doubles the exclusion value of “business personal property” — office equipment, for example — from \$5,000 to \$10,000. That’s the property that generates \$100 or less in tax revenue. The second adds two categories of property to the exemption: “possessory interests” such as renting an airplane hangar or a booth at the convention center and real property with an adjusted base value of \$5,000 or less.

These two provisions will affect about 1,200 businesses or individuals and remove about 2,000 parcels from the tax roll, the assessor’s office estimates.

Stone told the supervisors that it took 11,000 hours of staff time and nearly \$1.9 million to collect taxes on these small properties, which produced \$602,000 in county revenue.

Jody Meacham

Reporter

Silicon Valley Business Journal

