

Address _____
Mills Act Property Tax Calculator - enter lines 10, 12, 18, 19

Item	Factor	Amount
CURRENT TAXES		
Assessed Value		\$800,000
Total Property Tax (1)	1.3722%	\$10,978
Property Type: 1=Owner Occupied Residential, 2=All Others	1	Owner Residential
MILLS ACT TAXES		
<u>Annual Income</u>		
Monthly Rent	\$3.00	/sq.ft./ month
Leaseable Area	2,000	square feet
Annual Rent		\$72,000
(less) Annual Expenses and Vacancy	30% of Annual Rent	(\$21,600)
Net Annual Income		\$50,400
pro forma 5% vacancy add to 25% expenses		
<u>Capitalization Rate</u>		
Interest (3)	7.2500%	
Risk Component (4)	4.0000%	
Tax Rate (1)	1.4000%	varies year to year
Total, Cap Rate (Land)	12.6500%	
Amortization (5)	3.3333%	
Total, Cap Rate (Improvements)	15.9833%	
<u>Assessed Value & Taxes</u>		
Weighted Average Capitalization Rate (6)	14.9833%	
Assessed Value (based on Mills Act)		\$336,374
Total Property Tax	1.3722% varies year to year	\$4,616
CHANGE IN TAXES		
Decrease due to Mills Act		(\$6,362)
Change compared to Current Taxes		-58%

- (1) Total property tax rate is greater than 1 percent due to tax overrides. Varies by year. Total rate may vary slightly year-to-year, and depends on specific location. Actual taxes will also depend on share of overrides which are per-parcel rather than a % of value.
- (2) Alameda County Assessor's Office assumes approximately 25 percent of income goes to property maintenance and other operating expenses. es, 5 percent vacancy
- (3) 2024 State Board of Equalization Mills Act interest rate. This rate is updated no later than October 1 of each year.
- (4) Risk component is 2 percent for commercial/income properties and 4 percent for owner occupied residential
- (5) Amortizes improvements over 30 years. (arbitrary - varies with assessor's estimate of "effective age")
- (6) Assumes that land comprises 20 percent of value and improvements comprise 80 percent of value. Value of land is not amortized. Could be 30-70, 40-60 - see tax bill.

Disclaimer: This calculator is an interactive spreadsheet based on the Mills Act formula for tax assessments, which uses a modified version of the income approach to appraisal. It gives a rough estimate of potential tax savings. The City makes no warranties or representations about the accuracy of the calculator. It is an information tool that applicants may use at their sole risk, and does not replace legal counsel or a financial advisor. Actual tax reductions, if any, will be calculated by the County Assessor's Office after the Assessor has received the executed Mills Act contracts at the end of the calendar year.