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## BUSINESS & REAL ESTATE

### Tax relief on the way for small businesses

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The Santa Clara County Board of Supervisors unanimously approved County Assessor Larry Stone's recommendation to dramatically increase the number of property owners eligible to receive a "too low to assess" exclusion, benefiting mostly small-business owners.

The new ordinance doubles the amount of the exclusion (from \$5,000 to \$10,000) for business personal property and adds two new categories of property eligible for the exemption:

- Possessory interests (a taxable possessory interest is created when a person or entity uses publicly owned real property) with a full value of \$10,000 or less. The Assessor's Office estimates that approximately 1,200 businesses and/or individuals will no longer have to pay the tax.
- Real property and parcels with a total adjusted base year value of \$5,000 or less. These parcels consist of vacant property in remote locations with limited utility and marketability. An estimated 2,000 parcels could benefit from the expansion of the low-value ordinance. The ordinance will not apply to properties under the California Land Conservation Act, Mills Act contracts, timber production zone designation, nonprofit golf courses and low-value properties that are component parts of larger total property economic units.

"This low-value ordinance is a win-win for both the county and some taxpayers," Stone said. "For every \$10,000 of assessed value, the county sends a tax bill of \$100. The ordinance will eliminate property-tax bills of \$100 or less."

Stone's recommendation to the Board of Supervisors estimated that the cost to assess and collect from the low-value properties was approximately \$1.89 million, for a property-tax revenue of \$602,000.

The Assessor's Office estimated that 7,600 owners have total business property valued between \$5,000 and \$10,000 that would now be excluded from taxation.