Tax Savings Example
Owner Occupied Single Family Residence

GROSS INCOME

Gross Income ($_____/month x 12 months) $_____

Vacancy & Co. loss (_____%) $_____

Effective Gross Income $_____

EXPENSES

Maintenance $_____

Insurance $_____

Total Expenses $_____

Net Operating Income (NOI)
[Effective Gross Income – Total Expenses] $_____

CAPITALIZAION RATE

Interest Rate (year 20__) _____%

Risk Rate ___.00 %

[4% for owner-occupied residences, 2 % for all others]

Depreciation Rate _____%

Tax Rate 1.00 %

Total Cap Rate [add %'s from above] _____%

CAPITALIZATION OF NET INCOME

NOI/Cap Rate $_____/_____ %

Mills Act Restricted Value [= NOI/Cap Rate] $_____

Estimated Property Taxes: [1% of Restricted Value] **$_____**

Proposition 13 Assessed Value $_____

Property Taxes $_____

Estimated Tax Savings

Prop 13 Property Taxes - Mills Act Estimated Property Taxes

$_____ - $_____ = **$_____**