



STATE BOARD OF EQUALIZATION  
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No. 2006/055

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TO COUNTY ASSESSORS AND INTERESTED PARTIES:

DEFINITION OF NON-PRODUCTION COMPUTERS

A project to conduct studies to develop valuation factors for non-production computers has commenced. Board staff, two representatives from county assessors' offices, and two representatives from industry comprise the team for these studies. The results will ultimately be presented to the Board for adoption and published as valuation factors in Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*.

The first stage of the project was to determine its scope and that was accomplished by defining "non-production computers" for purposes of this study. The following is the proposed definition developed by the project team:

Non-production computers consist of: (1) general purpose computers; (2) general purpose computer peripherals; and (3) local area network (LAN) devices. General purpose computers contain a central processing unit and memory (be it volatile, fixed, on chips, on a disk, or a diskette), and run a stored program (software). General purpose computers can be programmed to do different kinds of tasks, rather than special purpose computers that are limited by design to a specific task. General purpose computers consist of mainframes, servers and microcomputers (desktops and laptops). General purpose computer peripherals consist of the auxiliary equipment which is designed to be placed under the control of a general purpose computer. General purpose computer peripherals include equipment such as monitors, keyboards, mouses, docking stations, printers, scanners, disk drives, tape drives, modems, wireless cards and web cameras. LAN devices are used to connect two or more general purpose computers, to store data and to facilitate data traffic in a network. LANs are usually contained in a single building (but equipment which is part of a LAN is not excluded merely because it is also part of a wide area network). LAN devices include equipment such as routers, computer network switches, hubs, virus protection equipment, and storage devices. Non-production computers do not include telecommunication equipment or lines (wire, fiber or other) used to connect LANs, computers embedded in machinery, and equipment or computers specifically designed for use in any other application directly related to manufacturing.

Interested parties may provide comments or suggestions for changes to the proposed definition by sending them to Mr. Mike Harris at [mike.harris@boe.ca.gov](mailto:mike.harris@boe.ca.gov), or by faxing them to 916-323-8765. Comments/suggestions should be provided by January 17, 2007.

All documents regarding this project will be posted to the Board's website at [www.boe.ca.gov/proptaxes/valuation.htm](http://www.boe.ca.gov/proptaxes/valuation.htm). If you have questions regarding this project, you may contact Mr. Harris at 916-324-2306.

Sincerely,

/s/David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:sk