



STATE BOARD OF EQUALIZATION  
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February 13, 2007

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Executive Director

No. 2007/007

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

DEFINITION OF SEMICONDUCTOR MANUFACTURING EQUIPMENT

A project to conduct studies to develop valuation factors for semiconductor manufacturing equipment 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 "semiconductor manufacturing equipment" for purposes of this study. The following is the proposed definition developed by the project team:

Semiconductor manufacturing equipment consists of (1) manufacturing equipment used in a clean room for the fabrication of semiconductor chips, (2) test equipment used in the manufacturing and research and development environment and to test semiconductor manufacturing equipment, and (3) fixtures in place to support a semiconductor fabrication facility.<sup>1</sup>

<sup>1</sup> This definition is not limited by the size of a semiconductor facility or the technology of the chips produced.

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 March 16, 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

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