



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CA 95808)
(916) 445-4982

(See LTA 96/30)

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Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

No. 87/11

February 6, 1987

TO COUNTY ASSESSORS:

ECONOMIC LIVES OF MACHINERY AND EQUIPMENT

Enclosed is a copy of the Board's Policy Statement listing the lives that Board appraisers will be using when appraising property as part of our appraisal survey program.

We have also included a summary of average economic lives used by the counties in valuing machinery and equipment. This summary contained in Exhibit B not only reflects average lives used but also the range in lives. Also, a comparison with State Board of Equalization suggested lives (per Policy Statement 10) is reflected in this exhibit.

The counties' summary is based on your responses to a recent questionnaire on economic lives. The summary on average lives and ranges is informational only. If ANY OF YOUR PROPERTY lives vary widely from the state-suggested or average county lives, you may want to review your life tables and/or conduct studies on those property types.

If you have any questions, contact David Lucero or Bruce Dear in our Technical Services Section at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosures

AL-05-2672A

CALIFORNIA STATE BOARD OF EQUALIZATION
ASSESSMENT STANDARDS DIVISION
POLICY STATEMENT NUMBER 10

MACHINERY AND EQUIPMENT ECONOMIC LIVES

Composite equipment lives as shown on Exhibit A are based on the knowledge and past experience of the divisions appraisers and represent their present estimates of average economic lives. Unless circumstances warrant otherwise, these lives are to be used until such time as they are revised or superseded. Appropriate documentation of appraisal records is required if lives other than these are used.

January 20, 1987
AO-21-00508

CALIFORNIA STATE BOARD OF EQUALIZATION
 ASSESSMENT STANDARDS DIVISION
 POLICY STATEMENT NUMBER 10
 November 17, 1986

Exhibit A

Estimated Economic Lives Tables

Group One: Depreciable Assets Used by Business in General

	<u>Lives</u>
1. Office Furniture, Fixtures, Machines, and Equipment. . .	12 yrs.
a. Computer Systems	6 yrs. No Trend
b. Personal Computers	6 yrs. No Trend
c. Copiers.	6 yrs. No Trend
d. Electronic Typewriters	10 yrs. No Trend

Group Two: Nonmanufacturing Activities,
 Excluding Transportation, Communications, and Public Utilities

1. Agriculture	
a. Tractors, Farm Implements, etc.	20 yrs. *
b. Harvesters	10 yrs. *
2. Contract Construction - Green Guides, or	10 yrs. **
3. Logging and Sawmilling	
a. Logging.	10 yrs.
b. Sawmills	15 yrs.
c. Portable Sawmills.	10 yrs.
4. Services	15 yrs.
a. Coin Operated Laundromats.	15 yrs.
b. Medical Equipment.	12 yrs.
c. Exotic Medical Equipment	10 yrs.

* Ag and Construction Trend Tables with R-3 Curve.
 ** Construction Trend Tables with R-3 Curve.

CALIFORNIA STATE BOARD OF EQUALIZATION
ASSESSMENT STANDARDS DIVISION
POLICY STATEMENT NUMBER 10

Exhibit A

Estimated Economic Lives Tables

Group Two: Nonmanufacturing Activities,
Excluding Transportation, Communications, and Public Utilities (Contd.)

	<u>Lives</u>
5. Wholesale and Retail Trade	15 yrs.
a. Vending Machines - (Use Industry Bluebooks or)	12 yrs.
b. Video Equipment.	5 yrs.
c. Electronic Cash Registers.	10 yrs.

Group Three: Manufacturing

1. Aerospace Industry :	
a. Aircraft	12 yrs.
b. Rockets and Missiles	10 yrs.
c. Component Parts.	8 yrs.
2. Apparel and Fabricated Textile Products.	17 yrs.
3. Cement Manufacture	20 yrs.
a. Kilns.	35 yrs.
4. Chemicals and Allied Products.	15 yrs.
5. Electrical Equipment	
a. Electrical Equipment	15 yrs.
b. Electronic Equipment	10 yrs.
6. Fabricated Metal Products.	15 yrs.
7. Food and Kindred Products Except Grain and Grain Mill Products, Sugar and Sugar Products, and Vegetable Oil Products	15 yrs.
8. Glass and Glass Products	17 yrs.

CALIFORNIA STATE BOARD OF EQUALIZATION
ASSESSMENT STANDARDS DIVISION
POLICY STATEMENT NUMBER 10

Exhibit A

Estimated Economic Lives Tables

Group Three: Manufacturing (Contd.)

	<u>Lives</u>
9. Grain and Grain Mill Products	20 yrs.
10. Knitwear and Knit Products	15 yrs.
11. Leather and Leather Products	15 yrs.
12. Lumber, Wood Products, and Furniture	15 yrs.
13. Machinery Except Electrical Machinery, Metalworking Machinery, and Transportation Equipment.	15 yrs.
14. Metalworking Machinery	15 yrs.
15. Motor Vehicles and Parts	14 yrs.
16. Paper and Allied Products.	15 yrs.
a. Pulp and Paper	17 yrs.
b. Paper Finishing and Converting	15 yrs.
17. Petroleum and Natural Gas	
a. Exploration, Drilling and Production	20 yrs.
b. Petroleum Refining	20 yrs.
18. Plastics Products.	15 yrs.
19. Primary Metals	
a. Ferrous Metals	20 yrs.
b. Nonferrous Metals.	15 yrs.
20. Printing and Publishing.	17 yrs.
21. Professional, Scientific, and Controlling Instruments; Photographic and Optical Equipment; Watches and Clocks - Mechanical.	13 yrs.
a. Electronic Professional, Scientific, etc	10 yrs.

CALIFORNIA STATE BOARD OF EQUALIZATION
ASSESSMENT STANDARDS DIVISION
POLICY STATEMENT NUMBER 10

Exhibit A

Estimated Economic Lives Tables

Group Three: Manufacturing (Contd.)

	<u>Lives</u>
22. Railroad Transportation Equipment.	15 yrs.
23. Rubber Products.	15 yrs.
24. Ship and Boat Building	20 yrs.
25. Stone and Clay Products Except Cement.	20 yrs.
26. Sugar and Sugar Products	22 yrs.
27. Textile Mill Products Except Knitwear	
a. Textile Mill Products, Excluding Finishing and Dyeing	15 yrs.
b. Finishing and Dyeing	15 yrs.
28. Tobacco and Tobacco Products	18 yrs.
29. Vegetable Oil Products	20 yrs.
30. Tools, Molds and Dies used in Manufacturing.	5 yrs.
31. Ski Lifts.	15 yrs.
32. Winery Tanks	20 yrs.
33. Cotton Gins.	15 yrs.
34. Propane Tanks.	20

November 25, 1986
AO-21-0050B

COMPARISON OF ECONOMIC LIVES UNDER POLICY STATEMENT 10
WITH THOSE USED BY COUNTIES

Exhibit 8

	SBE Policy (Yrs.)	Counties	
		Ave. Life Most Commonly Used (Yrs.)	Range (Years)
Group One: Depreciable Assets Used by Business in General			
1. Office Furniture, Fixtures, Machines, and Equipment. . .	12	12	10-15
a. Computer Systems	6 (No Trend)	6	5-8 *
b. Personal Computers	6 (No Trend)	6	5-7 *
c. Copiers.	6 (No Trend)	6	5-10 *
d. Electronic Typewriters	10 (No Trend)	--	--
Group Two: Nonmanufacturing Activities, Excluding Transportation, Communications, and Public Utilities			
1. Agriculture			
a. Tractors, Farm Implements, etc.	20 **	15	10-20 *
b. Harvesters	10 **	15	10-20
2. Contract Construction			
a. Average (Green Guide, or).	10 ***	10	10-15
b. Heavy (Green Guide, or).	10 ***	10	5-15
3. Logging and Sawmilling			
a. Logging.	10	10	7-15
b. Sawmills	15	15	10-20
c. Portable Sawmills.	10	--	--
4. Services			
a. Coin Operated Laundromats.	15	10	7-12 *
b. Medical Equipment.	12	12	10-15
c. Exotic Medical Equipment	10	10	5-12 *

* There are some isolated observations made different from that commonly used.

** Ag and Construction Trend Tables with R-3 Curve.

*** Construction Trend Tables with R-3 Curve.

	SBE Policy (Yrs.)	Counties	
		Ave. Life Most Commonly Used (Yrs.)	Range (Years)
Group Two: Nonmanufacturing Activities, Excluding Transportation, Communications, and Public Utilities (Contd.)			
5. Wholesale and Retail Trade	15	15	10-15
a. Vending Machines - (Use Industry Bluebooks or)	12	--	--
b. Video Equipment.	5	5	3-7 *
c. Electronic Cash Registers.	10	10	6-12 *

Group Three: Manufacturing

1. Aerospace Industry			
a. Aircraft	12	12	10-15
b. Rockets and Missiles	10	10	10-15
c. Component Parts.	8	10	10-15
2. Apparel and Fabricated Textile Products.	17	15	12-15
3. Cement Manufacture	20	15	12-20 *
a. Kilns.	35	15	12-20
4. Chemicals and Allied Products.	15	15	10-15
5. Electrical Equipment			
a. Electrical Equipment	15	15	10-15
b. Electronic Equipment	10	10	6-15
6. Fabricated Metal Products.	15	15	10-15 *
7. Food and Kindred Products Except Grain and Grain Mill Products, Sugar and Sugar Products, and Vegetable Oil Products	15	15	10-15 *
8. Glass and Glass Products	17	15	15 *

* There are some isolated observations made different from that commonly used.
 ** Ag and Construction Trend Tables with R-3 Curve.
 *** Construction Trend Tables with R-3 Curve.

	SBE Policy (Yrs.)	Counties	
		Ave. Life Most Commonly Used (Yrs.)	Range (Years)
Group Three: Manufacturing (Contd.)			
9. Grain and Grain Mill Products	20	15	12-15
10. Knitwear and Knit Products	15	15	12-15 *
11. Leather and Leather Products	15	15	12-15
12. Lumber, Wood Products, and Furniture	15	15	10-20
13. Machinery Except Electrical Machinery, Metalworking Machinery, and Transportation Equipment.	15	15	12-15 *
14. Metalworking Machinery	15	--	--
15. Motor Vehicles and Parts	14	15	10-15 *
16. Paper and Allied Products.	15	15	15 *
a. Pulp and Paper	17	--	--
b. Paper Finishing and Converting	15	15	15 *
17. Petroleum and Natural Gas			
a. Exploration, Drilling and Production	20	15	10-15 *
b. Petroleum Refining	20	15	15-20 *
18. Plastics Products.	15	15	10-15 *
19. Primary Metals			
a. Ferrous Metals	20	15	12-20
b. Nonferrous Metals.	15	15	12-15
20. Printing and Publishing.	17	15	10-17 *
21. Professional, Scientific, and Controlling Instruments; Photographic and Optical Equipment; Watches and Clocks - Mechanical.	13	12	10-15 *
a. Electronic Professional, Scientific, etc	10	--	--

* There are some isolated observations made different from that commonly used.
 ** Ag and Construction Trend Tables with R-3 Curve.
 *** Construction Trend Tables with R-3 Curve.

	SBE Policy (Yrs.)	Counties	
		Ave. Life Most Commonly Used (Yrs.)	Range (Years)
Group Three: Manufacturing (Contd.)			
22. Railroad Transportation Equipment.	15	15	10-15 *
23. Rubber Products.	15	15	10-15
24. Ship and Boat Building	20	15	12-15 *
25. Stone and Clay Products Except Cement.	20	15	12-15 *
26. Sugar and Sugar Products	22	15	12-20
27. Textile Mill Products Except Knitwear			
a. Textile Mill Products, Excluding Finishing and Dyeing	15	15	15 *
b. Finishing and Dyeing	15	15	10-15
28. Tobacco and Tobacco Products	18	15	15
29. Vegetable Oil Products	20	15	12-20
30. Tools, Molds and Dies used in Manufacturing.	5	5	5-10 *
31. Ski Lifts.	15	15	10-20
32. Winery Tanks	20	15	12-20
33. Cotton Gins.	15	15	10-15
34. Propane Tanks.	20	--	--
35. Pallet Bins.	--	10	5-15

* There are some isolated observations made different from that commonly used.
 ** Ag and Construction Trend Tables with R-3 Curve.
 *** Construction Trend Tables with R-3 Curve.

January 20, 1987
 AO-21-00508