



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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No. 88/18

February 29, 1988

TO COUNTY ASSESSORS:

ASSESSORS' HANDBOOK SECTION 581,
EQUIPMENT INDEX FACTORS

Here is the 1988 revision of Assessors' Handbook Section 581, Equipment Index Factors.

The percent good table for machinery and equipment (Table VI-1) incorporates a rate of return of 10 percent. As in past years, the table is derived from the Iowa State University "R3" curve.

The format of the indexes remains unchanged. However, for agriculture and construction mobile equipment the recommended percent good factors have changed since last year. This year's handbook section contains a second percent good table labeled Table VI-2. We recommend you apply the appropriate market derived percent good factors found in Table VI-2 when valuing agriculture or construction mobile equipment using the cost approach.

Chapter VII contains a list of certain improvements with a suggested classification of the improvements as either "structures" or fixtures." This list should be useful for taxpayers completing, and assessors processing, Schedule B of the Business Property Statement.

If you have any questions regarding this handbook section, please contact Bruce Dear or Ed Howard in the Business Property Technical Services Section of this Division at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

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Enclosure