



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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March 9, 1989

CINDY RAMBO
Executive Director
No. 89/20

TO COUNTY ASSESSORS:

ASSESSORS' HANDBOOK SECTION 581,
EQUIPMENT INDEX FACTORS

Here is the 1989 revision of Assessors' Handbook Section 581, Equipment Index Factors.

Index factors are contained in Tables II-1, III-1, and IV-1. The format of the indexes remains unchanged.

The percent good table for machinery and equipment (Table VI-1) incorporates a rate of return of 9 percent. As in past years, the table is derived from mortality data based on the Iowa State University "R3" curve.

This year's handbook section again 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 a useful guide for taxpayers completing, and assessors processing, Schedule B of the Business Property Statement.

If you have any questions regarding this handbook section, please contact 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