

ASSESSORS' HANDBOOK

EQUIPMENT INDEX FACTORS

(USE FOR LIEN DATE MARCH 1, 1991)

ASSESSMENT STANDARDS DIVISION
DEPARTMENT OF PROPERTY TAXES
CALIFORNIA STATE BOARD OF EQUALIZATION

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FOREWORD

This handbook section contains several tables of equipment index factors which should be useful in factoring acquisition costs of equipment found in taxpayers' books of account to an estimate of current replacement cost. The table entitled Commercial Equipment Index Factors was compiled based on equipment price level change data published by Marshall and Swift Publishing Company. The tables entitled Industrial Machinery and Equipment Index Factors and Agricultural and Construction Equipment Index Factors were derived by the Assessment Standards Division using the Bureau of Labor Statistics producer prices and price index as a basis.

In Chapter VI, a table lists percent good factors for machinery and equipment based on the individual method of calculation. A 9-percent rate of return was used to calculate the factors, which are derived from a system developed by the Iowa State University Engineering Research Center. An explanation of the methods of calculation is contained in a separate manual, Assessors' Handbook Section 581A, The Explanation of the Derivation of Equipment Percent Good Factors, which was adopted in December 1980.

For agricultural or construction mobile equipment, we suggest several valuation guides that can be used for valuing the equipment using the sales comparison approach. If the valuation guides are not used, then the cost approach can be employed. The appropriate index from Table IV-1 should be applied to equipment cost along with a percent good factor from Table VI-2. The depreciation factors found in Table VI-2 are derived from a detailed analysis of used equipment sales data.

The last chapter of this handbook section identifies certain improvements and lists the most common subcategorization of those improvements as either "structures" or "fixtures."



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I. USE OF EQUIPMENT INDEX FACTORS

The factors shown in the following tables may be used to estimate current replacement costs for various groups of equipment when applied to the acquisition costs shown in books of account. When the cost of acquisition is multiplied by the factor for the year of acquisition, the product should approximate the current cost of acquiring a replacement item in most instances.

An example of the use of these factors follows:

<u>Equipment Group</u>	<u>Year of Acquisition</u>	<u>Cost of Acquisition</u>	<u>Factor</u>	<u>Replacement Cost New</u>
Office	1980	\$1,000	1.39	\$1,390

In other words, it would require an expenditure of approximately \$1,390 on the 1991 lien date to replace office equipment purchased in 1980 for \$1,000. Property statement form SBE-ASD AH 571, has been designed for use with this method of estimating replacement cost.

Because of the rapid technological changes that have taken place in recent years, it is recommended that the maximum equipment index factor utilized should be the factor for the year in which the equipment would have been purchased if its present age were equal to 125 percent of the estimated average service life of the equipment class to which it belongs. For example, if the average life is 12 years, the maximum factor utilized in 1991 would be the 1976 factor since property acquired in 1976 would be 15 years old in 1991. If the equipment in this example was older than 15 years, the 15-year factor would still be utilized. However, this is a recommendation. It is not intended to replace appraiser judgment. If the appraiser believes that use of the 125 percent limit is inappropriate, an explanation of the reason for deviating, if well supported, is sufficient cause to do so.

Six group indexes are supplied in Table III, Industrial Machinery and Equipment Index Factors. In most instances, these group indexes cover more than one industry class. On the page following the table, you will find a listing of industry classes covered by each group index. The reason for the grouping is that the cost index factors for the grouped industries are numerically similar. A detailed description of each industry class follows the general listing.

The following example demonstrates the use of the group factor.

Type of machinery and equipment--Rubber tire manufacturing

Year of acquisition - 1980
Cost of acquisition - \$100,000
Factor - (Group No. 4 - Item 5 Industry Class)
Replacement cost new - $1.41 \times \$100,000 = \$141,000$

II. COMMERCIAL EQUIPMENT INDEX FACTORS

Courtesy of

Marshall and Swift
Publishing Company

TABLE II-1

COMMERCIAL EQUIPMENT INDEX FACTORS

1990 cost = 100

Year	Bank	Garage	Hospital	Hotel	Laundry & Dry Cleaning	Library	Office	Restaurant	Retail	Theater	Ware- house
1990	100	100	100	100	100	100	100	100	100	100	100
1989	102	103	103	103	103	103	102	103	103	103	102
1988	107	108	109	109	108	108	107	109	108	108	107
1987	112	112	113	113	113	113	112	113	112	113	110
1986	114	114	116	115	114	115	114	115	115	115	112
1985	115	115	117	117	115	116	115	118	116	116	113
1984	116	116	119	120	117	117	117	120	117	118	114
1983	120	120	123	123	120	121	120	124	121	122	117
1982	123	122	126	126	123	124	123	126	124	125	118
1981	127	128	132	132	128	129	128	133	129	130	123
1980	138	142	145	147	141	141	139	146	141	143	136
1979	149	157	159	158	155	153	150	160	153	155	148
1978	163	172	174	173	169	168	163	175	167	169	162
1977	175	185	187	186	181	181	174	189	180	182	174
1976	183	194	196	195	190	191	180	199	190	191	184
1975	194	205	207	207	201	202	191	211	203	202	199
1974	214	230	228	227	225	222	211	234	220	223	217
1973	245	264	262	256	263	258	240	269	253	258	245
1972	255	273	273	267	272	269	250	279	264	268	252
1971	262	284	284	274	281	276	257	286	271	276	260
1970	277	301	303	287	297	289	270	298	284	290	277
1969	296	318	325	303	315	308	287	312	302	308	293
1968	309	331	340	317	327	322	299	325	316	321	303
1967	321	342	356	331	340	336	312	338	329	335	314
1966	337	352	371	346	352	353	326	351	344	350	323
1965	347	363	383	355	360	360	332	358	350	357	331
1964	350	371	387	358	362	363	335	360	353	360	333
1963	352	376	392	359	365	365	337	361	356	362	335
1962	353	378	393	363	365	367	340	364	358	365	337
1961	355	381	396	366	366	368	341	367	360	366	338
1960	354	383	397	368	360	369	343	367	362	368	335
1959	358	388	401	371	359	372	346	367	364	371	336
1958	364	397	408	374	364	374	348	369	367	373	346
1957	375	410	419	381	366	387	359	372	378	385	356
1956	404	447	456	403	389	410	381	390	403	415	383
1955	447	495	505	434	425	451	411	420	444	460	422
1954	464	512	524	451	437	468	426	436	461	478	438
1953	467	517	526	453	445	471	429	438	463	479	440
1952	478	522	538	456	450	473	436	442	465	490	442
1951	468	523	528	454	451	471	434	442	464	481	440
1950	504	567	566	490	482	504	466	478	494	516	473
1949	523	598	586	513	498	528	487	501	517	534	489
1948	505	595	567	491	498	520	467	479	509	517	489
1947	547	649	617	531	534	556	503	514	542	557	525
1946	630	822	721	654	639	676	617	633	674	655	658
1945	712	1009	800	760	749	789	718	720	796	745	764

III. INDUSTRIAL MACHINERY AND EQUIPMENT INDEX FACTORS

Derived from the Bureau of Labor Statistics
Producer Prices and Price Index
by the Assessment Standards Division

TABLE III-1

INDUSTRIAL MACHINERY AND EQUIPMENT FACTORS

1990 COST = 100

YEAR	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
1990	100	100	100	100	100	100
1989	102	103	103	103	104	104
1988	105	106	107	107	107	108
1987	112	110	112	111	112	113
1986	115	112	114	114	115	115
1985	116	114	117	116	118	117
1984	117	116	119	119	122	119
1983	121	119	122	122	126	123
1982	122	121	124	125	129	125
1981	124	126	129	130	134	129
1980	134	137	140	141	146	141
1979	147	153	156	158	165	158
1978	162	168	171	174	181	176
1977	177	183	187	191	200	194
1976	188	195	201	206	217	211
1975	197	206	212	219	232	224
1974	207	221	228	237	252	244
1973	276	276	289	296	314	309
1972	293	290	307	316	338	328
1971	300	299	322	326	347	336
1970	312	303	323	331	355	346
1969	336	324	349	357	383	371
1968	347	335	362	370	400	385
1967	355	346	376	386	419	401
1966	362	357	388	400	437	417
1965	373	369	401	414	453	435
1964	378	373	406	421	461	446
1963	381	376	411	426	469	454
1962	381	377	414	430	477	456
1961	378	378	416	433	483	463
1960	373	378	414	433	483	466
1959	375	382	417	438	488	477
1958	378	389	426	447	499	489
1957	380	398	433	456	509	500

INDUSTRY CLASSES BY INDEX FACTOR GROUPS

Group No. 1

1. Petroleum Refining

Group No. 2

1. Electronic Equipment
2. Mining
3. Professional and Scientific Instruments

Group No. 3

1. Cement Manufacturing
2. Chemicals and Allied Products
3. Glass and Glass Products
4. Food and Kindred Products
5. Stone and Clay Products Except Cement
6. Petroleum Exploration and Production
7. Sugar and Sugar Products
8. Vegetable Oil Products

Group No. 4

1. Aerospace
2. Electrical Equipment Manufacturing
3. Pulp and Paper
4. Primary Metals
5. Rubber Products

Group No. 5

1. Lumber, Wood Products, and Furniture
2. Printing and Publishing
3. Grain and Grain Mill Products
4. Leather and Leather Products
5. Motor Vehicles and Parts
6. Plastics Products
7. Textile Mill Products
8. Paper Finishing

Group No. 6

1. Fabricated Metal Products
2. Machinery, Except Electrical Metal Working and Transportation

EXPLANATION OF INDUSTRY CLASSES

Group No. 1

1. Petroleum Refining

Includes the distillation, fractionation, and catalytic cracking of crude petroleum into gasoline and its other components.

Group No. 2

1. Electronic Equipment

Includes the manufacture of electronic communications, detection, guidance, control, radiation, computation, test and navigation equipment and components thereof. Excludes manufacturers which, in addition to electronic equipment, also produce other equipment included under electric equipment.

2. Mining

Includes the mining and quarrying of metallic and nonmetallic minerals and the milling, beneficiation, and other primary preparation of such materials.

3. Professional and Scientific Instruments

Includes the manufacture of mechanical measuring, engineering, laboratory, and scientific research instruments; optical instruments and lenses; surgical, medical, and dental instruments and equipment; ophthalmic equipment; photographic equipment; and watches and clocks.

Group No. 3

1. Cement Manufacturing

Includes the manufacture of cement. Excludes the manufacture of concrete and concrete products.

2. Chemicals and Allied Products

Includes the manufacture of basic chemicals such as acids, alkalis, salts, organic and inorganic chemicals; chemical products to be used in further manufacture, such as synthetic fibers and plastics materials; and finished chemical products, such as pharmaceuticals, cosmetics, soaps, fertilizers, paints, varnishes, explosives, and compressed and liquefied gases.

3. Glass and Glass Products

Includes the manufacture of flat, blown, or pressed glass products, such as plate, safety, and window glass, glass containers, glassware, and fiberglass. Excludes the manufacture of lenses.

4. Food and Kindred Products

Includes the manufacture of foods and beverages, such as meat and dairy products; baked goods; canned, frozen, and preserved products; confectionery and related products; and soft drinks and alcoholic beverages. Excludes the manufacture of grain and grain mill products, sugar and sugar products, and vegetable oils and vegetable oil products.

5. Stone and Clay Products, Except Cement

Includes the manufacture of structural clay products, such as brick, tile, and pipe; pottery and related products, such as vitreous-china, plumbing fixtures, earthenware, and ceramic insulating material; concrete; asphalt building materials; concrete, gypsum, and plaster products; cut and finished stone; and abrasive, asbestos, and miscellaneous nonmetallic mineral products.

6. Petroleum Exploration and Production

Includes the exploration, drilling, maintenance, and production activities of petroleum and natural gas producers. Includes gathering pipelines and related storage facilities of such producers. Excludes gathering pipelines and related storage facilities of pipeline companies.

7. Sugar and Sugar Products

Includes the manufacture of raw sugar, syrup, or finished sugar from sugar cane or sugar beets.

8. Vegetable Oil Products

Includes the manufacture of vegetable oils and vegetable oil products.

Group No. 4

1. Aerospace

Includes the manufacture of aircraft, spacecraft, rockets, missiles, and component parts.

2. Electrical Equipment Manufacturing

Includes the manufacture of electric household appliances, electronic equipment, batteries, ignition systems, and machinery used in the generation and utilization of electrical energy.

3. Pulp and Paper

Includes the manufacture of pulp from wood, rags, and other fibers and the manufacture of paper and paperboard from pulp. Excludes paper finishing.

4. Primary Metals

Includes the smelting, reducing, refining, and alloying of ferrous and nonferrous metals from ore, pig or scrap, and the manufacture of castings, forgings, and other basic ferrous and nonferrous metals products.

5. Rubber Products

Includes the manufacture of finished rubber products, and the recapping, retreading, and rebuilding of tires.

Group No. 5

1. Lumber, Wood Products, and Furniture

Includes the manufacture of lumber, plywood, veneers, furniture, flooring, and other wood products. Excludes the manufacture of pulp and paper.

2. Printing and Publishing

Includes printing, publishing, lithographing, and printing services, such as bookbinding, typesetting, photoengraving and electrotyping.

3. Grain and Grain Mill Products

Includes the manufacture of blended and prepared flours, cereals, feeds, and other grain and grain mill products.

4. Leather and Leather Products

Includes the manufacture of finished leather products, the tanning, currying, and finishing of hides and skins, and the processing of fur pelts.

5. Motor Vehicles and Parts

Includes the manufacture of automobiles, trucks, and buses and their component parts. Excludes the manufacture of glass, tires, and stampings.

6. Plastics Products

Includes the manufacture of processed, fabricated, and finished plastics products. Excludes the manufacture of basic plastics materials.

7. Textile Mill Products

Includes the manufacture of spun, woven, or processed yarns and fabrics from natural or synthetic fibers. Excludes finishing and dyeing.

8. Paper Finishing

Includes paper finishing and conversion into cartons, bags, envelopes, and similar products.

Group No. 6

1. Fabricated Metal Products

Includes the manufacture of fabricated metal products, such as cans, tinware, hardware, metal structural products, stampings, and a variety of metal and wire products.

2. Machinery, Except Electrical, Metal Working, and Transportation

Includes the manufacture of machinery, such as engines and turbines, farm machinery, construction and mining machinery, food products machinery, textile machinery, woodworking machinery, paper industry machinery, compressors, pumps, ball and roller bearing, blowers, industrial patterns, process furnaces and ovens, office machines, and service industry machines and equipment.

IV. AGRICULTURAL AND CONSTRUCTION EQUIPMENT INDEX FACTORS

Derived from the Bureau of Labor Statistics
Producer Prices and Price Index
by the Assessment Standards Division

TABLE IV-1

AGRICULTURAL AND CONSTRUCTION EQUIPMENT INDEX FACTORS

1990 COST = 100

YEAR	Agricultural	Construction
1990	100	100
1989	102	104
1988	108	109
1987	112	112
1986	111	115
1985	112	117
1984	112	119
1983	115	120
1982	118	122
1981	125	128
1980	139	141
1979	155	158
1978	171	174
1977	185	191
1976	199	207
1975	217	220
1974	237	249
1973	293	316
1972	309	336
1971	320	344
1970	326	355
1969	350	384
1968	365	401
1967	380	424
1966	392	439
1965	404	453
1964	412	465
1963	418	476
1962	424	485
1961	433	486
1960	441	494
1959	449	504
1958	463	522
1957	482	542

V. USE OF EQUIPMENT PERCENT GOOD TABLES

The percent good table provided in Table VI-1 was derived using a method of computation called the "individual method." Another percent good table derived by a method called the "group method" is available but not printed in this edition. The rationale and the mathematics of the methods of computation are explained in Assessors' Handbook Section 581A, The Explanation of the Derivation of Equipment Percent Good Factors. Both methods, although they yield slightly different results, are based upon logical and reasonable premises. The individual method, which has been in use by the assessors of California for many years, is recommended and published here because its computation is based upon a procedure that closely follows standard appraisal practices.

The equipment percent good table is designed to assist the appraiser in estimating replacement or historical cost less normal depreciation (RCLND). The column headings represent the average service life expectancy of the equipment under consideration. Each column contains the remaining life expectancy at each year of age followed by the percent good factor.^{1/} For instance, in the example shown in Chapter I, "Use of Equipment Index Factors," the office equipment was purchased in 1980, so on the 1991 lien date it is considered to be eleven years old. The appraiser estimates that the equipment has an average service life of 12 years. The 12-year-life equipment percent good column illustrates that for an item ten years old, using the table, the percent good is 29.

The following example carries forward the example shown in Chapter I.

<u>Equipment Group</u>	<u>Year of Acquisition</u>	<u>Cost of Acquisition</u>	<u>Factor</u>	<u>Replacement Cost New</u>	<u>Percent Good</u>	<u>Replacement Cost Less Normal Depreciation</u>
Office	1980	\$1,000	1.39	\$1,390	29	\$403

The appraiser should also consider economic obsolescence, abnormal condition, and other factors which might affect the value of the equipment. Recent sales of equipment may lead directly to an estimate of total depreciation from all causes.

Assessors' Handbook Section 581A, The Explanation of the Derivation of Equipment Percent Good Factors, provides a technical explanation of these percent good factors.

A second percent good table, provided as Table VI-2, is to be used when determining the loss of value for agricultural and construction mobile equipment.

^{1/} The 1991 percent good factors are computed using a 9-percent rate of return and a straightline downward income adjustment that amounts to 10 percentage points at 100 percent of average service life. Life expectancies are derived from the R-3 survivor curve. No minimum percent good is intended.

VI. MACHINERY AND EQUIPMENT PERCENT GOOD FACTORS

TABLE VI-1
INDIVIDUAL PROPERTIES

AVERAGE SERVICE LIFE

MACHINERY AND EQUIPMENT PERCENT GOOD FACTORS
 Table VI - 1 INDIVIDUAL PROPERTIES AVERAGE SERVICE LIFE

Year	Acq'd	Age	4	5	6	7	8	9	10	12	13	14	15	17	18	20	22	25	30	35	40	Age	Year
1990	1	76	82	85	88	90	91	92	94	95	95	96	97	97	98	98	98	99	99	99	99	1	1990
1989	2	53	63	70	75	79	82	85	88	90	91	92	93	94	95	96	97	98	98	99	99	2	1989
1988	3	33	46	56	63	68	73	76	82	84	86	87	90	91	92	94	95	97	98	98	98	3	1988
1987	4	18	31	42	50	58	63	68	75	78	80	82	86	87	89	91	93	95	97	98	98	4	1987
1986	5	9	19	29	39	47	54	60	68	72	75	77	82	83	86	89	91	94	96	97	97	5	1986
1985	6	3	11	19	28	37	45	51	62	66	69	72	77	80	83	86	89	93	95	96	96	6	1985
1984	7		5	12	20	28	36	43	55	59	64	67	73	76	80	83	87	91	94	96	96	7	1984
1983	8		1	7	13	21	28	35	48	53	58	62	69	71	76	80	85	90	93	95	95	8	1983
1982	9			3	9	15	21	28	41	47	52	56	64	67	73	77	82	88	92	94	94	9	1982
1981	10				5	11	16	22	35	40	46	51	59	63	69	74	80	86	91	93	93	10	1981
1980	11				2	7	12	17	29	35	40	45	54	58	65	71	77	85	89	92	92	11	1980
1979	12					4	9	13	24	29	35	40	50	54	61	67	74	83	88	91	91	12	1979
1978	13						5	10	19	25	30	35	45	49	57	64	72	81	87	90	90	13	1978
1977	14						2	6	15	20	25	30	40	45	53	60	69	79	85	89	89	14	1977
1976	15							4	13	17	21	26	36	40	49	57	66	77	84	88	88	15	1976
1975	16							1	10	14	18	22	32	36	45	53	63	74	82	87	87	16	1975
1974	17								7	11	15	19	28	32	41	49	59	72	81	86	86	17	1974
1973	18								4	8	12	16	24	29	37	45	56	70	79	85	85	18	1973
1972	19								2	6	10	13	21	25	33	42	53	67	77	84	84	19	1972
1971	20									3	7	11	18	22	30	38	50	65	75	82	82	20	1971
1970	21									1	5	8	15	19	27	35	47	62	73	81	81	21	1970
1969	22										2	6	13	17	24	32	43	60	71	80	80	22	1969
1968	23											4	11	14	21	28	40	57	69	78	78	23	1968
1967	24											2	9	12	19	26	37	54	67	77	77	24	1967
1966	25												7	10	17	23	34	51	65	75	75	25	1966
1965	26												3	8	15	21	32	48	63	73	73	26	1965
1964	27												1	6	13	18	29	46	61	72	72	27	1964
1963	28													3	10	17	26	43	58	70	70	28	1963
1962	29													1	8	14	24	40	56	68	68	29	1962
1961	30															6	13	22	38	53	66	30	1961
1960	31															4	10	20	36	51	64	31	1960
1959	32															2	8	18	33	49	62	32	1959
1958	33																7	17	31	46	60	33	1958
1957	34																4	15	29	44	58	34	1957
1956	35																2	12	26	42	56	35	1956
1955	36																	11	25	39	54	36	1955
1954	37																	9	23	37	52	37	1954
1953	38																	6	21	35	49	38	1953
1952	39																	4	20	33	47	39	1952
1951	40																	2	18	31	46	40	1951
1950	41																		16	30	43	41	1950
1949	42																		13	28	42	42	1949
1948	43																		12	25	39	43	1948
1947	44																		10	24	38	44	1947
1946	45																		9	23	36	45	1946
1945	46																		6	21	33	46	1945
1944	47																		4	20	32	47	1944
1943	48																		3	18	31	48	1943
1942	49																			15	29	49	1942
1941	50																			14	28	50	1941
1940	51																			12	26	51	1940
1939	52																			10	25	52	1939
1938	53																			8	23	53	1938
1937	54																			7	22	54	1937
1936	55																			5	20	55	1936
1935	56																			3	17	56	1935

TABLE VI-2

AGRICULTURE AND CONSTRUCTION MOBILE EQUIPMENT
PERCENT GOOD TABLE

<u>Year Acquired</u>	<u>CONSTRUCTION MOBILE EQUIPMENT</u>			<u>AGRICULTURE MOBILE EQUIPMENT EXCEPT HARVESTERS</u>					
	<u>Age</u>	<u>New</u>	<u>Used</u>	<u>New</u>	<u>Used</u>	<u>New</u>	<u>Used</u>	<u>Age</u>	
1990	1	.75	.92	.74	.92	.70	.89	1	
1989	2	.69	.85	.68	.85	.62	.79	2	
1988	3	.63	.78	.63	.78	.51	.70	3	
1987	4	.58	.72	.58	.72	.45	.63	4	
1986	5	.53	.66	.53	.66	.37	.56	5	
1985	6	.49	.61	.45	.56	.31	.46	6	
1984	7	.45	.56	.38	.48	.26	.39	7	
1983	8	.42	.51	.33	.41	.21	.32	8	
1982	9	.38	.47	.28	.34	.18	.27	9	
1981	10	.35	.43	.24	.29	.15	.22	10	
1980	11	.32	.40	.20	.25		.18	11	
1979	12	.30	.37	.17	.21		.15	12	
1978	13	.27	.34	.14	.18			13	
1977	14	.25	.31		.15			14	
1976	15	.23	.29					15	
1975	16	.21	.26					16	
1974	17	.20	.24					17	
1973	18	.18	.22					18	
1972	19	.17	.21					19	
1971	20	.15	.19					20	
1970	21							21	
1969	22							22	

NO MINIMUM PERCENT GOOD INTENDED

USE OF TABLE VI-2

The percent good table is designed to assist the appraiser in determining total loss of value once replacement cost new (RCN) has been determined for the captioned equipment.

The table, derived from used equipment sales data, identifies a pattern of depreciation for three groups of equipment. Within each group two columns of percent good figures, "New" and "Used," are listed. The column labeled "New" should be used to measure depreciation if subject equipment was acquired new, conversely the column labeled "Used" should be applied when the equipment was purchased used. (See examples on next page.)

EXAMPLE

1. A construction motor grader acquired new in 1987.
Depreciation factor is .58 percent.
2. A construction motor grader acquired used in 1987.
Depreciation factor is .72 percent.

Schedule D of the Agriculture Property Statement (571-F) should assist you in determining if agricultural mobile equipment was purchased new or used.

For construction mobile equipment and agricultural equipment where "New" or "Used" status cannot be determined from appraisal data at hand application of percent good factors associated with the "New" column will provide the more conservative estimate of value.

Valuation Guides

There are numerous valuation guides available that contain sale derived market values of agricultural and construction mobile equipment. The appraiser should utilize these valuation guides in making the appraisal estimate when sufficient information regarding the equipment's make, model, etc., is reported on the property statement. The percent good factors from Table VI-2 should be used when sufficient information cannot be obtained from value guides or other market information.

Valuation guides that we are aware of include the following:

Agricultural Equipment
National Farm Tractor and Implement Blue Book
Address:
National Market Reports, Inc.
900 South Wabash Avenue
Chicago, Illinois 60605

Official Guide - Tractors and Farm Equipment
Address:
Far West Equipment Dealers Association
1601 North Main Street, Suite 204
Walnut Creek, California 94596

Construction Equipment

Green Guide for Construction Equipment
Address:
Published by Dataquest
A Company of the Dunn & Bradstreet Corp.
1290 Ridder Park Drive
San Jose, California 95131

VII. CLASSIFICATION OF IMPROVEMENTS AS STRUCTURE OR FIXTURE

The intent of the following listing is to determine the classification of property without regard to ownership. The listing does not necessarily indicate appraisal responsibility by a real property appraiser or an auditor-appraiser. It should be used as a guide in completing Schedule B of the business property statement.

The general concepts used as a basis for the segregation of improvements to "structure" or "fixture" categories are as follows.

Structure: An improvement will be classified as "structure" when its primary use or purpose is for housing or accommodation of personnel, personalty, or fixtures; (as a building structure) or when the improvement has no direct application to the process or function of the trade, industry or profession.

Fixture: An improvement will be classified as "fixture" if its use or purpose directly applies to or augments the process or function of a trade, industry, or profession.

Dual Purpose: Items which have a dual purpose will be classified according to their primary purpose.

Examples: The following pages list a variety of improvements and their typical classifications as structures or fixtures. It must be emphasized that the listing is illustrative as a guide only. Proper classification as a fixture or structure is determined according to the actual use or purpose of the property.

STRUCTURE ITEMS

Air conditioning (office and building cooling)

Auxiliary power generation equipment--for building purposes

Awnings

Batch plants--buildings, fences, paving, yard lights, and spur tracks

Blinds

Boilers (office and building heating)

Building renovations

Car washes--all buildings, canopies, interior and exterior walls, fences, paving, and normal plumbing

Carpets and floor coverings affixed to floor, such as wall-to-wall carpeting and specially installed strip or area carpeting, tile, terrazzo coverings

Central heating and cooling plants

Chutes--built-in

Conveyors--for moving people

Cooling towers--other than used in a trade or production process

Crane ways

Dock elevators

Drapes

FIXTURE ITEMS

Air conditioning (process cooling)

Air lines

Auxiliary power generation equipment--for trade or production purposes

Back bars

Batch plant--scales, silos, hoppers, bins, machinery

Boilers for manufacturing process

Bowling lanes

Burglar alarm systems

Butane and propane installations--used for trade or production purposes

Car washes--special plumbing, wiring, and car washing equipment

Compressors (air)

Conveyors--for moving materials and products

Cooling towers--used in a trade or production process

Counters

Cranes--traveling

Environmental control devices--used in the production process

Fans and ducts used for processing

STRUCTURE ITEMS

Elevators, including machinery and power wiring

Environmental control devices--if an integral part of the structure

Escalators

External window coverings

Fans and ducts which are part of an air circulation or exhaust system for the building

Fences--outside of building

Flagpoles

Heating--boilers--used in office or building heating

 Butane and propane installations--used for heating buildings

 Radiators--steam

Inter-communication and telephone systems--if an integral part of the building

Kiosk--permanently attached

Coin-operated laundries--restroom, sanitary plumbing fixtures

Movie sets--which are a complete building

Paint spray rooms--if an integral part of the building

FIXTURE ITEMS

Fences and railings--inside of buildings

Furnaces, process

Furnishings--built-in, i.e., wall hung desks

Heating--boiler--for the manufacturing process

 Butane and propane installations--used for trade or production purposes

Hoists

Incinerators, commercial and industrial

Ice dispensers, coin operated

Kilns--beehive, tunnel, or cylinder type and equipment

Kilns--lumber

Laundromat--plumbing, wiring, and concrete work for equipment

Lighting fixtures--lighting associated with a commercial or industrial process

Machinery foundations and pits (not part of normal flooring or foundation)

Miniature golf courses

Movie sets--which are not a complete building

Ovens

Paint spray booths

STRUCTURE ITEMS

Parking lot gates

Partitions--floor to ceiling

Pipelines and pipe supports used to convey air, water, steam, oil, or gas to operate the facilities in a building

Pits--not used in the trade or process

Pneumatic tube systems

Railroad spurs

Refrigeration systems--that are an integral part of the building

Walk-in refrigerators--which are an integral part of the building--excluding operating equipment

Restaurants--rough plumbing to fixtures

Renovations to building structures

Security (Banks and Financial)

Fire alarm systems

Safes-embedded

Night depository

Teller cages

Vault alarm system

Vaults

Service stations--canopies, paving sign pylons

FIXTURE ITEMS

Partitions (annexed), less than floor to ceiling

Pipelines and pipe supports used to convey air, water, steam, oil, or gas to equipment used in the production process

Pits--used as wine and sugar clarifiers, skimming pits, grease pits, sump pits, and pits used to house machinery in the manufacturing process

Plumbing--special purpose

Power wiring, switchgear, and power panels for manufacturing process

Refrigeration systems--that are not an integral part of the building

Walk-in refrigerators--unitized

Operating equipment--for all walk-in refrigerators

Restaurant equipment--plumbing fixtures, stainless steel or galvanized sinks in kitchens, bars, soda fountains, garbage disposals, dishwashers, hoods, etc.

Roller skating surface

Scales--including platform and pit

Security (banks and financial)

Cameras (surveillance)--attached to walls or columns

STRUCTURE ITEMS

Shelving--originally designed as integral part of the building

Shielded or clean rooms--if an integral part of the building

Signs--include supporting structure which forms an integral part of the building, including sign blades, pylons, or marques structures serving as canopies. Exclude sign cabinet (face) and lettering.

Silos or tanks--whose primary function or intent is to store property for a time period, such as storage tank farms and grain and liquid petroleum storage facilities

Smog control devices when attached to incinerator or building heating plant

Sprinkler systems--where primary function is the protection of a building or structure

Store fronts

Television and radio antenna towers

Trout ponds--concrete

Theaters (drive-in)--buildings, screen and structures, fencing, paving, lighting

Water systems at golf courses

FIXTURE ITEMS

Drive-up and walk-up windows--unitized security type

Man traps

Television or visual auto tellers

Vault doors

Service Stations--gasoline storage tanks, pumps, air and water wells

Shelving other than that which is an integral part of the building

Shielded or clean rooms--if not an integral part of the building

Signs--sign cabinets and free standing signs, including supports

Silos or tanks--whose primary function is as part of a process, including temporary process holding such as breweries or refineries

Ski lifts, tows, trams

Sky slides

Smog control devices attached to process device

Theaters--auditorium equipment--seating, screens, stage equipment, sound, lighting, and projection

Drive-in theaters--heater and speaker uprights, wiring and units, projection equipment, signs

Trash compactors and paper shredders

Wash basins--special purpose water softeners for commercial or industrial purposes