



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION  
1020 N STREET, SACRAMENTO, CALIFORNIA  
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)  
(916) 445-4982

WILLIAM M. BENNETT  
First District, Kentfield  
BRAD SHERMAN  
Second District, Los Angeles  
ERNEST J. DRONENBURG, JR.  
Third District, San Diego  
MATTHEW K. FONG  
Fourth District, Los Angeles  
GRAY DAVIS  
Controller, Sacramento  
BURTON W. OLIVER  
Executive Director  
No. 92/37

May 11, 1992

TO COUNTY ASSESSORS:

ASSESSORS' HANDBOOK SECTION 581,  
EQUIPMENT INDEX FACTORS

Here is the 1992 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 8 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 subcategorization 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

VW:sk  
Enclosure