



STATE BOARD OF EQUALIZATION

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No. 94/17

March 2, 1994

TO COUNTY ASSESSORS:

UPDATE FOR ASSESSORS' HANDBOOK SECTION 581,  
EQUIPMENT INDEX FACTORS

Enclosed are updates to the tables contained in Assessors' Handbook Section 581, Equipment Index Factors. Continuing a procedure established with last year's handbook, only the updated trend and depreciation tables are included. By appending these tables to last year's handbook, you will have a comprehensive handbook covering both years.

The format of the trend tables, Tables I, II, and III, have been changed slightly to improve readability. Table IV, Agriculture and Construction Mobile Equipment, is again included. We recommend you apply the market derived percent good factors contained in Table IV when valuing this type of equipment.

Table V, Machinery and Equipment Percent Good Factors, incorporates a rate of return of 6.5 percent. This is a drop of 1 percent from the 1993 handbook and continues the drop which has been occurring in recent years as the cost of capital has been dropping.

If you would like a copy of the complete handbook or have questions or comments, please contact this division at (916) 445-4982.

Sincerely,

A handwritten signature in cursive script that reads "Verne Walton".

Verne Walton, Chief  
Assessment Standards Division

VW:sk  
Enclosure

AH 581  
LIEN DATE 1994

**TABLE I**  
**COMMERCIAL EQUIPMENT INDEX FACTORS**

1993 COST = 100

Year	Bank	Garage	Hospital	Hotel	Laundry & Dry Cleaning	Library	Office	Rest- aurant	Retail	Theater	Ware- house	Service	Year
1993	100	100	100	100	100	100	100	100	100	100	100	100	1993
1992	102	102	103	102	102	102	102	104	103	102	101	102	1992
1991	104	103	103	104	103	103	102	104	104	103	104	103	1991
1990	105	105	106	107	105	105	104	107	106	105	106	106	1990
1989	108	108	109	110	108	108	106	110	109	108	108	108	1989
1988	113	114	115	116	114	114	112	116	114	113	113	114	1988
1987	118	118	120	121	118	119	116	121	119	118	117	119	1987
1986	120	120	122	123	120	121	118	123	121	121	118	121	1986
1985	121	121	124	125	121	122	120	126	123	122	119	122	1985
1984	122	123	126	128	123	123	121	128	124	124	120	124	1984
1983	126	126	130	132	127	127	125	132	129	128	123	127	1983
1982	129	129	133	135	129	130	128	135	132	131	125	130	1982
1981	134	135	139	141	135	136	133	142	137	137	130	136	1981
1980	146	150	153	158	148	149	145	156	150	150	144	149	1980
1979	157	166	168	169	163	161	156	171	162	162	157	162	1979
1978	171	181	184	185	177	177	170	187	177	178	171	177	1978
1977	184	195	197	199	190	191	180	202	191	191	184	190	1977
1976	192	205	207	209	200	200	188	212	201	201	194	200	1976
1975	204	216	218	221	211	212	198	226	215	213	210	212	1975
1974	225	242	241	243	237	233	219	250	233	234	229	233	1974
1973	258	279	277	274	276	271	250	288	269	271	258	267	1973
1972	269	288	288	285	285	283	260	299	280	282	266	280	1972
1971	277	299	300	293	295	290	267	306	287	289	275	288	1971
1970	292	317	320	306	312	304	280	319	302	304	293	303	1970
1969	312	336	343	324	331	324	298	334	321	323	309	321	1969
1968	325	349	359	339	344	339	311	348	335	337	320	336	1968
1967	338	361	376	353	357	354	325	361	349	352	331	353	1967
1966	355	372	391	370	370	371	339	375	365	368	341	364	1966
1965	365	383	404	379	379	378	345	383	371	375	349	373	1965
1964	369	391	409	382	380	381	348	385	375	378	352	377	1964
1963	371	396	414	384	384	384	351	386	377	380	354	380	1963
1962	372	398	415	388	383	386	353	389	380	383	356	382	1962
1961	374	402	418	391	384	388	355	392	382	385	357	384	1961
1960	373	404	419	393	378	388	357	392	383	387	354	385	1960
1959	378	409	424	396	378	392	359	392	386	390	355	387	1959
1958	384	419	431	399	382	394	362	398	389	392	365	392	1958
1957	396	432	442	407	385	407	373	416	401	405	376	403	1957
1956	425	472	481	430	409	432	396	449	428	436	405	431	1956
1955	471	523	533	464	447	475	427	466	471	483	446	470	1955
1954	489	540	553	481	459	493	443	468	489	502	463	488	1954
1953	492	545	555	483	467	495	446	472	491	504	464	491	1953
1952	503	550	568	487	473	498	453	472	493	514	466	497	1952
1951	494	552	557	485	474	496	451	511	492	505	465	498	1951
1950	531	598	597	523	507	530	485	536	524	542	499	531	1950
1949	551	631	619	548	523	556	507	512	548	561	516	551	1949
1948	532	628	599	525	523	547	486	549	540	543	517	544	1948

**TABLE II**

INDUSTRIAL MACHINERY AND EQUIPMENT INDEX FACTORS

1993 COST = 100

YEAR	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
1993	100	100	100	100	100	100
1992	102	101	102	102	102	102
1991	103	103	104	104	106	105
1990	103	105	105	106	108	108
1989	104	108	109	110	112	112
1988	108	112	113	114	116	116
1987	115	116	118	119	121	121
1986	119	118	121	121	124	124
1985	120	120	123	124	128	126
1984	121	122	126	127	132	128
1983	124	125	129	130	136	132
1982	126	128	132	134	140	134
1981	128	132	136	138	145	139
1980	138	143	148	150	158	151
1979	152	160	165	169	178	170
1978	167	176	181	186	195	189
1977	181	192	197	203	215	208
1976	194	205	212	220	235	227
1975	203	217	225	234	250	242
1974	213	233	242	252	272	262
1973	285	290	306	316	339	332
1972	302	305	325	337	365	353
1971	308	311	332	344	372	362
1970	321	319	342	353	383	372
1969	346	341	369	380	413	398
1968	357	352	383	395	431	414
1967	366	364	398	411	452	430
1966	373	376	411	426	471	448
1965	384	388	425	441	489	468
1964	389	393	430	449	498	480
1963	392	397	435	455	506	488
1962	392	398	438	459	514	491
1961	390	399	441	463	521	498
1960	383	398	438	462	520	500
1959	386	403	442	467	526	513
1958	389	411	451	477	538	525
1957	391	419	458	486	548	538

**TABLE III**

AGRICULTURAL AND CONSTRUCTION EQUIPMENT INDEX FACTORS

1993 COST = 100

YEAR	Agricultural	Construction
1993	100	100
1992	103	101
1991	106	104
1990	111	107
1989	114	111
1988	120	117
1987	124	120
1986	123	123
1985	124	125
1984	125	127
1983	128	128
1982	131	131
1981	139	137
1980	154	151
1979	172	169
1978	190	186
1977	205	205
1976	221	222
1975	240	236
1974	263	267
1973	325	339
1972	342	360
1971	355	369
1970	362	380
1969	388	412
1968	405	430
1967	421	454
1966	435	471
1965	448	485
1964	457	498
1963	464	510
1962	470	519
1961	480	520
1960	489	529

**TABLE IV**

AGRICULTURE AND CONSTRUCTION MOBILE EQUIPMENT  
PERCENT GOOD TABLE

Year <u>Acquired</u>	<u>Age</u>	<b>CONSTRUCTION MOBILE EQUIPMENT</b>		<b>AGRICULTURE MOBILE EQUIPMENT EXCEPT HARVESTERS</b>				<u>Age</u>
		<u>New</u>	<u>Used</u>	<u>New</u>	<u>Used</u>	<u>New</u>	<u>Used</u>	
1993	1	75	92	74	92	70	89	1
1992	2	69	85	68	85	62	79	2
1991	3	63	78	63	78	51	70	3
1990	4	58	72	58	72	45	63	4
1989	5	53	66	53	66	37	56	5
1988	6	49	61	45	56	31	46	6
1987	7	45	56	38	48	26	39	7
1986	8	42	51	33	41	21	32	8
1985	9	38	47	28	34	18	27	9
1984	10	35	43	24	29	15	22	10
1983	11	32	40	20	25		18	11
1982	12	30	37	17	21		15	12
1981	13	27	34	14	18			13
1980	14	23	31		15			14
1979	15	21	29					15
1978	16	20	26					16
1977	17	18	24					17
1976	18	17	22					18
1975	19	15	21					19
1974	20		19					20

NO MINIMUM PERCENT GOOD INTENDED

USE OF TABLE IV

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 the subject property was acquired new; conversely the column labeled "Used" should be applied when the equipment was purchased used.

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**TABLE V**

MACHINERY AND EQUIPMENT PERCENT GOOD FACTORS

INDIVIDUAL PROPERTIES-- AVERAGE SERVICE LIFE

6.5% Rate of return

Year Acq'd	AGE	3	4	5	6	7	8	9	10	11	12	13	14	15	17	18	20	22	25	30	35	40	AGE	Year Acq'd
1993	1	67	76	81	84	87	89	90	92	93	93	94	95	95	96	96	97	97	98	99	99	99	1	1993
1992	2	37	52	62	69	74	78	81	83	85	87	88	89	90	92	93	94	95	96	97	98	98	2	1992
1991	3	16	32	44	54	61	66	71	74	77	80	82	84	85	88	89	90	92	93	95	97	97	3	1991
1990	4	6	17	29	40	48	55	61	66	69	73	75	78	80	83	85	87	89	91	94	95	97	4	1990
1989	5	8	17	27	37	45	51	57	61	65	69	72	74	79	80	83	86	89	92	94	96	5	1989	
1988	6	2	10	18	26	35	42	48	54	58	62	66	69	74	76	80	83	86	90	93	95	6	1988	
1987	7	5	11	18	26	33	40	46	51	56	60	63	69	72	76	79	83	88	91	94	7	1987		
1986	8	6	12	19	25	33	39	44	49	54	58	64	67	72	76	81	86	90	92	8	1986			
1985	9	8	13	19	26	32	38	43	48	52	59	63	68	72	78	84	88	91	9	1985				
1984	10	4	9	14	20	25	31	37	42	46	54	58	64	69	75	82	87	90	10	1984				
1983	11	1	6	10	15	20	26	31	36	41	50	53	60	65	72	80	85	89	11	1983				
1982	12	3	7	11	16	21	26	31	36	45	49	56	62	69	78	84	88	12	1982					
1981	13	4	8	12	16	21	26	31	40	44	52	58	66	75	82	86	13	1981						
1980	14	1	6	9	13	17	22	26	36	40	48	54	63	73	80	85	14	1980						
1979	15	3	7	10	14	18	23	31	36	44	51	59	70	78	84	15	1979							
1978	16	4	8	11	15	18	27	31	40	47	56	68	76	82	16	1978								
1977	17	1	5	8	12	16	24	28	36	43	53	65	74	81	17	1977								
1976	18	3	6	10	13	20	24	32	39	50	63	72	79	18	1976									
1975	19	1	4	7	10	17	21	29	36	46	60	70	78	19	1975									
1974	20	2	5	9	14	18	25	32	43	57	68	76	20	1974										
1973	21	3	7	12	15	22	29	40	55	66	74	21	1973											
1972	22	1	4	10	13	20	26	37	52	64	73	22	1972											
1971	23	2	9	11	17	23	34	49	61	71	23	1971												
1970	24	1	7	9	15	21	31	47	59	69	24	1970												
1969	25	5	7	13	18	28	44	57	67	25	1969													
1968	26	2	6	11	17	26	41	55	65	26	1968													
1967	27	4	10	14	23	39	52	63	27	1967														
1966	28	2	8	13	21	36	50	61	28	1966														
1965	29	6	11	19	33	47	59	29	1965															
1964	30	4	10	17	31	45	57	30	1964															
1963	31	2	7	15	29	43	55	31	1963															
1962	32	1	6	14	26	40	53	32	1962															
1961	33	4	12	25	38	51	33	1961																
1960	34	2	11	22	36	49	34	1960																
1959	35	1	9	20	34	47	35	1959																
1958	36	7	19	31	45	36	1958																	
1957	37	6	17	29	43	37	1957																	
1956	38	4	16	28	41	38	1956																	
1955	39	2	15	26	39	39	1955																	
1954	40	1	13	24	37	40	1954																	
1953	41	11	23	35	41	1953																		
1952	42	11	21	33	42	1952																		
1951	43	9	19	31	43	1951																		
1950	44	6	18	30	44	1950																		
1949	45	6	17	28	45	1949																		
1948	46	4	16	27	46	1948																		
1947	47	2	14	24	47	1947																		