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DEPUTY DIRECTOR
PROPERTY AND SPECIAL TAXES

Amgen
One Amgen Center Drive
M/S 91-2-B
Thousand Oaks, CA 91320-1799
805.447.1000

October 28, 2008

Mr. David J. Gau, Deputy Director
Property and Special Taxes Department
State Board of Equalization
450 N. Street, MIC:63
P.O. Box 942879
Sacramento, CA 94279-0063

RE: Publishing of Estimated Economic Lives in AH 581

Dear Mr. Gau:

The intent of this letter is to voice our opposition in regard to the proposal of publishing the Estimated Economic Lives in AH 581.

We object to the publishing of economic life tables due to the lack of supporting data and the additional burden that would be placed on the taxpayer in disputing these amounts. As part of the team that recently addressed the updating of the Biotech factor tables, we can understand the difficulty in obtaining such information. However, without such supporting documentation we feel that no table is better than an unsupported one. We believe this was the same reasoning which caused the Board to remove previously published tables that were unsupported.

As a Biotech company, we also foresee increased burden arising out of the fact there are separate valuation factors for certain industries, such as our own for similar equipment. In the proposed economic lives table, laboratory equipment has a 10 year life, while biotech lab equipment currently has a 6 year life. We believe that the use of specialized tables for our industry will be challenged more frequently with the publication of these lives and increase the burden on the taxpayer to qualify for the use of specific industry tables.

Finally, the publication of these lives will adversely affect the assessment appeal process. We anticipate the number of appeals will increase due to the fact the Assessors will now have the CA State Board of Equalization's (SBE) published document to support their economic lives. In addition, we believe the taxpayers' ability to appeal the lives will be greatly diminished. Local assessment appeals boards rely on the publications from the SBE as support for their decisions. The fairness of the appeal process will be greatly tilted against the taxpayer, who the process was developed to protect in the first place and will likely result in delays and increased burdens on the taxpayer.

Based on these concerns, we respectfully ask The State Board of Equalization to deny this proposal.

Sincerely,



Michael Hart
Accounting, Senior Manager