



STATE BOARD OF EQUALIZATION

1111 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

MEMBER
Fourth District, Los Angeles

GRAY DAVIS
Controller, Sacramento

CINDY RAMBO
Executive Director

No. 91/27

April 5, 1991

TO COUNTY ASSESSORS:

ASSESSORS' HANDBOOK SECTION 581,
EQUIPMENT INDEX FACTORS

Here is the 1991 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 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,

A handwritten signature in black ink that reads "Verne Walton".

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosure