

ASSESSORS' HANDBOOK

EQUIPMENT INDEX FACTORS

(USE FOR LIEN DATE MARCH 1, 1992)

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 sub categorization 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:

Equipment Group	Year of Acquisition	Cost of Acquisition	Factor	Replacement Cost New
Office	1980	\$1,000	1.41	\$1,410

In other words, it would require an expenditure of approximately \$1,410 on the 1992 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 1992 would be the 1977 factor since property acquired in 1977 would be 15 years old in 1992. 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 - 1.44 x \$100,000 = \$144,000

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II. COMMERCIAL EQUIPMENT INDEX FACTORS

Courtesy of

Marshall and Swift
Publishing Company

TABLE II - 1
COMMERCIAL EQUIPMENT INDEX FACTORS
1991 COST = 100

Year	Bank	Garage	Hospital	Hotel	Laundry & Dry Cleaning	Library	Office	Resturant	Retail	Theater	Ware- house	Service	Year
1991	100	100	100	100	100	100	100	100	100	100	100	100	1991
1990	101	102	102	102	102	102	101	103	102	102	102	102	1990
1989	104	105	105	106	105	104	104	106	104	104	104	105	1989
1988	109	110	111	111	110	110	109	112	110	110	109	110	1988
1987	113	115	116	116	115	115	113	116	114	115	112	115	1987
1986	115	116	118	118	117	117	115	118	117	117	114	117	1986
1985	116	117	120	120	118	118	117	121	118	118	115	118	1985
1984	118	119	122	123	120	119	118	123	119	120	116	120	1984
1983	121	122	126	126	123	123	122	127	123	124	119	123	1983
1982	125	125	128	129	125	126	125	130	126	127	120	126	1982
1981	129	131	135	135	131	131	129	136	132	132	125	132	1981
1980	140	145	148	151	144	144	141	150	144	145	139	145	1980
1979	151	160	163	162	158	156	153	164	155	157	151	157	1979
1978	165	175	178	177	172	171	165	179	170	172	165	172	1978
1977	177	189	191	191	185	184	176	194	183	185	177	185	1977
1976	185	198	200	200	194	194	183	204	193	194	187	194	1976
1975	196	210	211	212	205	205	194	217	206	206	202	206	1975
1974	217	235	234	233	230	226	214	240	224	227	220	227	1974
1973	249	270	268	263	269	262	244	276	258	262	249	261	1973
1972	259	279	279	274	277	274	254	287	268	273	255	271	1972
1971	266	290	290	281	286	280	261	293	275	280	265	279	1971
1970	281	307	310	294	304	294	274	306	289	295	282	294	1970
1969	300	325	332	310	322	314	291	320	308	313	298	312	1969
1968	313	339	348	325	334	328	304	334	321	327	308	325	1968
1967	326	350	364	339	347	342	317	347	335	341	319	339	1967
1966	341	360	379	355	359	359	331	360	350	356	329	353	1966
1965	352	371	391	363	368	366	337	368	356	363	337	361	1965
1964	355	379	396	367	370	369	340	369	359	366	339	365	1964
1963	357	384	401	368	373	371	342	370	362	368	341	367	1963
1962	358	386	402	372	372	373	345	374	364	371	343	369	1962
1961	360	389	405	375	373	375	347	376	366	373	344	371	1961
1960	359	392	406	377	367	375	348	376	368	375	341	371	1960
1959	364	396	410	380	367	379	351	376	371	377	342	374	1959
1958	369	405	417	383	371	381	353	379	373	380	352	379	1958
1957	381	419	428	391	374	394	365	382	385	392	362	388	1957
1956	410	457	466	413	398	417	387	400	410	423	390	415	1956
1955	454	506	516	445	434	459	417	431	452	468	429	455	1955
1954	471	523	536	462	446	476	432	447	469	486	446	472	1954
1953	473	528	538	464	454	479	435	449	471	488	448	475	1953
1952	484	533	550	468	459	481	442	454	473	498	449	481	1952
1951	475	535	540	466	461	480	440	453	472	489	448	478	1951
1950	511	579	579	502	492	513	473	490	503	525	481	513	1950
1949	530	611	599	526	508	537	495	514	526	543	498	535	1949
1948	512	608	580	503	508	529	474	491	518	526	498	523	1948
1947	554	663	631	544	545	566	511	527	552	567	535	563	1947
1946	639	840	737	670	652	688	626	649	686	667	670	684	1946
1945	722	1031	818	778	765	802	729	738	811	758	777	793	1945

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III. INDUSTRIAL MACHINERY AND EQUIPMENT INDEX FACTORS

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

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TABLE III-1

INDUSTRIAL MACHINERY AND EQUIPMENT FACTORS

1991 COST = 100

YEAR	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
1991	100	100	100	100	100	100
1990	101	102	102	102	103	103
1989	102	105	105	106	107	107
1988	105	108	109	109	110	111
1987	112	112	114	114	115	116
1986	116	115	117	117	118	119
1985	117	116	119	119	121	121
1984	118	118	121	121	125	123
1983	121	121	124	125	128	126
1982	123	124	127	128	132	128
1981	124	128	131	133	138	133
1980	135	139	142	144	150	145
1979	148	156	159	162	169	163
1978	163	171	174	178	186	181
1977	177	186	190	195	205	199
1976	189	199	204	211	222	217
1975	198	211	217	224	238	231
1974	208	226	233	242	258	251
1973	278	281	295	303	322	318
1972	294	296	314	323	347	338
1971	300	302	321	330	355	346
1970	313	309	330	339	365	356
1969	338	331	356	365	393	381
1968	349	342	369	379	410	396
1967	356	353	383	394	430	412
1966	364	365	396	409	448	428
1965	374	376	409	424	464	448
1964	380	381	415	431	473	458
1963	382	384	419	436	481	466
1962	382	385	422	440	489	469
1961	380	386	424	444	496	476
1960	374	386	422	443	495	479
1959	377	390	426	448	500	490
1958	379	398	434	457	511	503

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 & Grain Mill Products
4. Leather & 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.

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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.

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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.

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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.

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IV. AGRICULTURAL AND CONSTRUCTION EQUIPMENT INDEX FACTORS

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

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TABLE IV-1

AGRICULTURAL AND CONSTRUCTION EQUIPMENT INDEX FACTOR

1990 COST = 100

<u>YEAR</u>	<u>Agricultural</u>	<u>Construction</u>
1991	100	100
1990	104	103
1989	106	107
1988	112	112
1987	116	115
1986	115	118
1985	116	120
1984	116	122
1983	119	123
1982	123	125
1981	130	131
1980	144	144
1979	161	162
1978	177	178
1977	191	196
1976	206	213
1975	224	226
1974	245	256
1973	304	324
1972	320	344
1971	331	353
1970	338	364
1969	362	394
1968	378	412
1967	393	435
1966	406	451
1965	418	465
1964	426	477
1963	433	489
1962	439	497
1961	448	498
1960	456	506
1959	465	517
1958	480	536

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 1992 lien date it is considered to be twelve 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 twelve years old, using the table, the percent good is 22.

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	1.41	\$1,410	22	\$310

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 1992 percent good factors are computed using a 8-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.

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VI. MACHINERY AND EQUIPMENT PERCENT GOOD FACTORS

TABLE VI -1
INDIVIDUAL PROPERTIES
AVERAGE SERVICE LIFE

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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
1991	1	76	81	85	88	89	91	92	94	95	95	96	96	97	97	98	98	99	99	99	1	1991
1990	2	53	63	70	75	79	82	84	88	89	90	91	93	93	95	95	96	98	98	99	2	1990
1989	3	33	45	55	62	68	72	76	81	83	85	86	89	90	92	93	94	96	97	98	3	1989
1988	4	17	30	41	50	57	62	67	74	77	79	81	85	86	88	90	92	95	96	97	4	1988
1987	5	8	18	28	38	46	53	58	67	71	74	76	80	82	85	88	90	93	95	97	5	1987
1986	6	2	10	18	27	36	43	50	60	64	68	71	76	78	82	85	88	92	94	96	6	1986
1985	7		5	11	19	27	35	42	53	58	62	66	72	74	78	82	86	90	93	95	7	1985
1984	8			7	13	20	27	34	46	51	56	60	67	70	75	78	83	88	92	94	8	1984
1983	9			3	8	14	20	27	40	45	50	55	62	65	71	75	81	87	91	93	9	1983
1982	10				4	10	15	21	33	39	44	49	57	61	67	72	78	85	89	92	10	1982
1981	11				1	6	11	16	27	33	38	44	52	56	63	69	75	83	88	91	11	1981
1980	12					3	8	12	22	28	33	38	48	52	59	65	72	81	86	90	12	1980
1979	13						4	9	18	23	28	33	43	47	55	61	69	79	85	89	13	1979
1978	14						1	6	14	18	24	29	38	43	51	58	66	76	83	88	14	1978
1977	15							3	11	15	20	24	34	38	47	54	63	74	82	87	15	1977
1976	16							1	9	12	16	20	30	34	43	50	60	72	80	86	16	1976
1975	17								6	9	13	17	26	30	39	47	57	69	78	84	17	1975
1974	18								3	7	11	14	22	26	35	43	54	67	76	83	18	1974
1973	19								1	5	8	11	19	23	31	39	50	64	75	81	19	1973
1972	20									2	6	10	16	20	28	35	47	62	73	80	20	1972
1971	21										4	8	14	17	25	32	44	59	71	79	21	1971
1970	22										1	5	12	15	22	29	41	56	68	77	22	1970
1969	23											3	10	12	19	26	37	54	66	75	23	1969
1968	24											1	8	11	17	24	34	51	64	74	24	1968
1967	25												5	8	15	21	31	48	62	72	25	1967
1966	26												2	6	13	19	29	45	60	70	26	1966
1965	27													4	11	16	26	43	57	68	27	1965
1964	28													2	9	15	24	40	55	67	28	1964
1963	29														7	12	22	37	52	65	29	1963
1962	30														5	11	20	35	50	63	30	1962
1961	31														3	8	18	32	48	60	31	1961
1960	32														1	7	16	30	45	59	32	1960
1959	33															5	14	28	43	56	33	1959
1958	34															3	13	26	41	54	34	1958
1957	35															1	11	23	38	52	35	1957
1956	36																9	22	36	50	36	1956
1955	37																7	20	34	48	37	1955
1954	38																5	18	32	46	38	1954
1953	39																3	17	30	44	39	1953
1952	40																1	15	28	42	40	1952
1951	41																	13	26	39	41	1951
1950	42																	12	25	38	42	1950
1949	43																	10	22	36	43	1949
1948	44																	8	21	34	44	1948
1947	45																	7	19	32	45	1947
1946	46																	4	18	31	46	1946
1945	47																	2	17	28	47	1945
1944	48																	1	15	27	48	1944
1943	49																		14	25	49	1943
1942	50																		11	24	50	1942

TABLE VI-2

AGRICULTURE AND CONSTRUCTION MOBILE EQUIPMENT
PERCENT GOOD TABLE

Year Acquired	CONSTRUCTION MOBILE EQUIPMENT			AGRICULTURE MOBILE EQUIPMENT EXCEPT HARVESTERS				HARVESTERS	
	Age	New	Used	New	Used	New	Used	Age	
1991	1	.75	.92	.74	.92	.70	.89	1	
1990	2	.69	.85	.68	.85	.62	.79	2	
1989	3	.63	.78	.63	.78	.51	.70	3	
1988	4	.58	.72	.58	.72	.45	.63	4	
1987	5	.53	.66	.53	.66	.37	.56	5	
1986	6	.49	.61	.45	.56	.31	.46	6	
1985	7	.45	.56	.38	.48	.26	.39	7	
1984	8	.42	.51	.33	.41	.21	.32	8	
1983	9	.38	.47	.28	.34	.18	.27	9	
1982	10	.35	.43	.24	.29	.15	.22	10	
1981	11	.32	.40	.20	.25		.18	11	
1980	12	.30	.37	.17	.21		.15	12	
1979	13	.27	.34	.14	.18			13	
1978	14	.25	.31		.15			14	
1977	15	.23	.29					15	
1976	16	.21	.26					16	
1975	17	.20	.24					17	
1974	18	.18	.22					18	
1973	19	.17	.21					19	
1972	20	.15	.19					20	
1971	21							21	
1970	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 1988.
Depreciation factor is .58 percent.
2. A construction motor grader acquired used in 1988.
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.

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STRUCTURE ITEMS

Air conditioning (office and building cooling)

Auxiliary power generation equipment-- for building purposes

Awnings

Batchplants--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

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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