



STATE BOARD OF EQUALIZATION
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December 15, 2002

No. 2002/073

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

ASSESSORS' HANDBOOK SECTION 581
EQUIPMENT INDEX AND PERCENT GOOD FACTORS

Enclosed is the year 2003 revision of Assessors' Handbook Section 581 (AH 581), *Equipment Index and Percent Good Factors*, which was approved by the Board on November 13, 2002. This annual revision includes updates to the equipment index and percent good factors tables and examples in the text. Also included are valuation factors for computer equipment and semiconductor equipment. Additionally, the handbook contains guidelines for the valuation of biopharmaceutical industry equipment and fixtures.

Assembly Bill 2714 (Chapter 299, Statutes of 2002), which added section 401.16 to the Revenue and Taxation Code, provides that (1) if the assessor utilizes a minimum percent good factor, it must be determined in a supportable manner, and (2) if the assessor uses percent good factors published by the Board of Equalization for property first acquired new and property first acquired used, the factors may not be averaged unless the taxpayer fails to indicate if the property was first acquired new or first acquired used. The 2003 revision of AH 581 includes language to reflect this new statute.

The AH 581 will be posted to the Board's Web site at www.boe.ca.gov, and can be accessed by first selecting "Property Taxes" and then selecting "Assessors' Handbook." Copies are also available on disk upon request to the Assessment Policy and Standards Division at (916) 445-4982.

If you have any questions, please contact Mr. Lloyd Allred at (916) 324-7361.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

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Enclosures