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BUSINESS PERSONAL PROPERTY VALUATION GUIDELINES

BUSINESS PERSONAL PROPERTY VALUATION GUIDELINES 2022

Compiled by
New Mexico Taxation & Revenue Department
Property Tax Division
State Assessed Property Bureau
PO Box 25126
Santa Fe, NM 87504-5126
www.tax.newmexico.gov/property-tax-division.aspx

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INTRODUCTION

The purpose of this publication is to provide county assessors, county and state appraisers, tax collectors, county protest boards, and taxpayers with guidelines to value personal property of typical business enterprises in New Mexico. It is also an attempt at establishing uniformity in the assessment of personal property throughout all counties in the state in accordance with New Mexico's ad valorem property tax laws [Articles 35 through 38 of Chapter 7 NMSA 1978].

To request a copy of this publication, please email NMTRD.SAPB@state.nm.us.

For questions regarding personal property valuation, please contact:

Elaisa Romero, Bureau Chief
New Mexico Taxation & Revenue Department
Property Tax Division
State Assessed Property Bureau
PO Box 25126
Santa Fe, NM 87504-5126
Email: Elaisa.Romero@state.nm.us

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APPRAISAL METHOD

This publication reflects procedures for valuation based upon the mandates of Section 7-36-33, NMSA 1978.[1] ***Please note that this publication is meant to serve as a guideline. It is not meant to, nor can it, address every situation of valuation that a county might confront.*** It is strongly suggested that each county review this publication and the supporting information that it refers to.

Note that this publication does not apply to assets that are subject to valuation under any of the other "Special Methods" outlined in the Property Tax Code.

The appraisal method outlined in Section 7-36-33 is a cost approach. The statute calls for the use of "tangible property cost". This is defined as "the actual cost of acquisition or construction of property including additions, retirements, adjustments and transfers".[2] Depreciation must be considered. Depreciation is calculated using the "straight line method of computing the depreciation allowance over **the useful life of the item of property**.[3]

The "useful life of the item of property" means the "class life" for same or similar kinds of property as defined and used in Section 167 of the United States Internal Revenue Code of 1954, as amended or renumbered.[4] The "class life" as stated in Section 167 of the United States Internal Revenue Code is based on studies that investigated the average actual useful lifetime of assets. This is the normal time expired from the date when an asset is purchased, built, or otherwise acquired and put into service until the date when the asset is worn out, sold, destroyed or otherwise disposed of. (Please note that this is an "average" and the actual lifetime of any particular asset may be longer under extremely light use with high maintenance and care or much shorter under extremely heavy use with little maintenance and care).

This "class life" is reflected in the "Table of Class Lives and Recovery Periods" as outlined in Appendix B of Publication 946. The website to view the IRS Publication 946 Section 179 can be viewed at www.irs.gov.

Remember that the Internal Revenue Service Code also reflects what we refer to as an "artificial life factor" that was created by the federal government in order to stimulate the economy by assuring the re-investment of asset dollars within shorter spans of time. This method, called Accelerated Cost Recovery System, (ACRS) allows a taxpayer to depreciate assets over statutorily assigned "recovery periods" so that it is unnecessary to determine the factual issue of useful life.

The ACRS or Modified ACRS systems govern tangible property placed in service after 1980, however, the recommended "recovery periods" of ACRS or MACRS **cannot** be used for New Mexico property tax valuation purposes.

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[1]See Appendix I, Page 14.

[2]See Appendix I, Section 7-36-33, Paragraph B. Part (5), NMSA 1978.

[3]Ibid. See Paragraph B, Part (2), NMSA 1978.

[4]Regulation §1.167 (a)-1 defines it as "the estimated period over which the asset may reasonably be expected to be useful to the taxpayer in his trade or business or in the production of his income."

APPRAISAL PROCESS

"The appraisal process is a systematic, orderly and logical method of collecting, analyzing and processing data in order to make an intelligent judgment of the value of a commodity at a specific point in time. Because value depends on decisions made by people, appraising is a social science rather than a physical science and thus cannot produce findings of an exact nature. An appraisal is, basically, an opinion of value. It is based upon competent interpretation of the facts. The appraisal process is also, in part, the product of the experience of the appraiser. As such, it represents the best-known way of arriving at a conclusion of value. The process itself is valid. The result depends upon the skill and care with which the process is followed. The importance of being thorough and careful cannot be overemphasized."[5]

PERSONAL PROPERTY DEFINED

Personal Property consists of **movable items** that are not permanently affixed to, or a part of, the real estate. Personal property is commonly known as "personalty" or "chattels".
Consideration as to:

- The manner in which the personal property is annexed;
- The intention of the party as to whether to leave permanently or remove at some future date, and;
- The purpose, for which the premises are used, must be made on an item-by-item basis.

Usually items are classified as personal property if they can be removed without causing serious injury to the item or to the real estate, however, the three points above must be considered.

Litigation in the Court of Appeals in the State of Texas regarding a transmission pipeline held that a pipeline which was buried "below normal plow depth" and had been laid pursuant to an easement authorizing the pipeline company to remove, change, or replace one or more additional lines of pipe, was personal property.[6] Again, the main factor here seems to be the INTENT.

Tangible personal property held by businesses includes machinery, tools, furniture, fixtures, equipment and supplies. Materials and Supplies normally used in the business and Inventories held for sale or resale are exempt unless the owner has claimed a deduction for depreciation for federal income tax purposes in the prior twelve months.

LEASED PERSONAL PROPERTY

Leased equipment may be defined to include all items of property, which are leased, rented or otherwise made available to other than the owner for use. The wide range as to types of leases presents a very complex and difficult appraisal problem for the assessing officer. In order to assess leased property, the assessor must discover where it is located and to whom it belongs before he/she can proceed with valuation process. There are few assessment organizations with sufficient staff to make an annual field survey of the tangible personal property of all businesses and manufacturers. The assessor must then rely on alternative methods to accomplish the same results. This requires

[5]New Mexico County Assessor's Manufactured Housing Manual, Taxation & Revenue Department, Property Tax Division, 1986 Revision, 4.

[6]Lingleville Independent School District v. Vallero Transmission Company, Tex. Ct. App. No. 11-88-180CV (January 12, 1989).

the cooperation of business and industry in supplying a listing of any property used but not owned. It also requires that those involved in the business of leasing equipment report all property in the assessing district in which it is located.

Types of Properties Subject to Various Leasing Conditions

1. A manufacturer who leases out equipment and has established a listed selling prices new.
2. A business concern, financial institution and/or non-profit organization which purchases its equipment and rents or leases to others and is not involved in the manufacturing or sale of equipment, except as a leasing agency.
3. A manufacturer who leases out equipment such as postage meters but has not established or is restricted from establishing a selling price.
4. A leasing company, which is a manufacturer, is not restricted in anyway in selling the product and makes the equipment available at little or no rental, provided the lessee uses the manufacturer's product.

Types of Leases

Month –to –Month Lease: Month to month leases are short-term leases that may or may not be in written form. This type of lease provides no security for the lessor or the lessee.

Short-Term Lease: Short-term leases are generally written with the terms and provisions of the lease detailed. This type of lease is generally considered to be for periods of less than ten years.

Long-Term Lease: The long-term lease provides for terms extending more than ten years.

Percentage Lease: Percentage leases typically provide for rent payments to be based on a percentage of income for the sale of merchandise or services. Percentage leases frequently have a stated minimum rent and sometimes a maximum rent provision.

Graduated Lease: The graduated lease provides for a stated rent level for a given period, followed by a change (usually an increase) in the rent level during stated subsequent periods.

Renewal Lease: Renewal leases provide for one or more extensions of the lease term in the original lease document at the option of the lessee. The rent under such renewals may be predetermined or negotiated at the time of renewal.

Determination of Responsibility for Reporting of Leased Property

All property depreciated and reported on the Federal Asset Listing for IRS depreciation is subject to property taxation whether locally or state assessed. The primary test for determining the responsibility of the reporting of leased property for Ad Valorem Taxation hinges on the "Incident of Ownership". This means a company bears the burden of exhaustion of the capital investment in the property. The IRS allows companies to depreciate leased property if they met the "Incident of Ownership" test, which is as follows:

1. The legal title to the property.

2. The legal obligation to pay for the property.
3. The responsibility to pay maintenance and operating expenses.
4. The duty to pay any taxes on the property.
5. The risk of loss if the property is destroyed, condemned, or diminished in value through obsolescence or exhaustion.

Definitions:

- Lessor – The party (usually the owner) who gives the lease (right to possession) in return for a consideration (rent).
- Lessee – The party to whom a lease (the right to possession) is given in return for a consideration (rent).

DELINQUENT LEASED PERSONAL PROPERTY

The collection of delinquent personal property taxes from parties who do not own the personal property is, at best, difficult, and at its worst, impossible. Lease agreement provisions that require lessees to pay local taxes, where equitable title does not pass from lessor to lessee, are simply agreements between two parties, (neither of which is the county assessor) that allow the lessor to pass the property taxes to the lessee. The agreement does not free either of the parties of their obligation to the county.

For administrative convenience, it is suggested that leased personal property be assessed separately from owned personal property. For example, an assessment for a leased Xerox copy machine should be:

Xerox Corporation, Owner
Albertson's Store # 12, Lessee
c/o Albertson's, Inc.
Salt Lake City, UT 00000-0000

An assessment of this nature identifies all parties involved without any further investigation. In all cases, where the assessment is made against the lessee, a copy of the Lease Agreement showing the make, model, serial number and description of each item of leased personal property should be on file. Additionally, the location of the leased equipment should be noted.

RENTED PERSONAL PROPERTY

Equipment that is rented out on a short-term basis, in many cases, may be subject to excessive wear and tear due to use by people unfamiliar with its' operation. Examples of this may be DVD's and DVD Tapes rented on a day-to-day basis. Firms that specialize in daily or weekly rentals of machinery or equipment may fall under this category if the rentals are frequent. The Class Life, however, must still be used. There are not exceptions to this law.

The taxpayer can, however, provide documentation for additional decreases in valuation based on "other justifiable factors" such as functional or economic obsolescence. All decreases should be documented and justified before being adopted for a particular taxpayer.

SITUS

The fact that personal property is movable brings us to the question of situs. What is situs? **Situs, in regard to personal property, is defined *as "...physically present in the state on the date when it is required to be valued for property taxation purposes..."***[7] That "date" is, in almost all cases, January 1st of the tax year. If personal property, including livestock and construction contractor's equipment, is present in the taxing jurisdiction on January 1st of the tax year, it is subject to property taxation.

However, the two exceptions, livestock and construction contractors' equipment are subject to another "date". If livestock or construction contractors equipment is present in a New Mexico taxing jurisdiction "for more than twenty days subsequent to January 1 then the livestock and/or construction contractors equipment shall be valued for property taxation purposes as of the first day of the month following the month in which they have remained in the state for more than twenty days."[8] "A basic allocation formula that prorates value on the basis of the amount of time that livestock or construction contractors' equipment is in the state and subject to valuation for property taxation purposes"[9] then must be used.

THE LAW

What is the law? The law is the Property Tax Code. The "code" is covered in detail in the publication entitled "New Mexico Selected Taxation & Revenue Department Laws and Regulations". If you do not have a current copy of the code, please acquire one. Ensure every employee in your office has a current copy. More importantly, ensure employees become familiar with it. The information is invaluable. You may download an updated copy here https://www.tax.newmexico.gov/all-nm-taxes/statutes-with-regulations/. You may also contact the Taxation & Revenue Department.[10]

Perhaps, a reminder is necessary here. The Laws or Statutes in the aforementioned are the parts with Highlighted Numbers such as "7-36-33". Regulations follow with a series of numbers, i.e. "3.6.6.40".

PROCEDURES

Write procedures that explain exactly (step by step) what needs to be done. Write them as if the person who will be expected to follow them knows absolutely nothing about property tax or your office and is not familiar with anything else relative to the assessor's functions. (This is certainly the case with new employees who are not familiar with property tax). Once written, make sure that everyone gets a copy and, more importantly, understands the procedures. Set up a workshop so that the procedures are explained in detail and allow enough time for a question and answer session. Remember if your county's personal property valuation system is poorly or under

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[7]See 7-36-14 A.(3)

[8]See 7-36-21 & 7-38-7.1

[9]Ibid.

[10]Contact the Taxation & Revenue Department, Attn: Tax Information Office, PO Box 630, Santa Fe, New Mexico 87509-0630. Request Property Tax Code & Regulations. (505) 827-0908.

administered, a shift in property tax burden occurs. Thus, if an inadequate job is being done when assessing personal property belonging to retail business enterprises, someone else is picking up the tax burden. If your county emphasizes on doing a very good job in assessing residential property, for example, the residential property owner is probably paying his fair share PLUS a portion of his neighborhood convenience store's share. This tax burden shift is not only unfair; it is illegal discrimination by default. If you are going to assign an individual or individuals to handle personal property assessments, make sure that they receive adequate training. If you are going to handle it on a "walk-in" basis, make sure that everyone has the training to do it correctly.

TRAINING WORKSHOPS

If you do not train all staff members to do a specific task in a specific way, the possibility of unfair or unequal handling of assessment duties are as varied as the number of people who handle it. Set up a workshop. Make sure that the person making the presentation knows the subject well. The following are logical steps to follow for fair and equitable assessments:

Preliminary Status Review: This is merely an examination of what you have and what is currently being done. Do you have a listing of entities that report personal property? If not, the preparation of such a list should be your first project. If you do, review it. When was the last time you updated it? Are entities that you or your staff members know about personally operating in your county and not reporting? If so, pursue them first.

Local Verification: Although local phone books are quickly becoming close to obsolete, they do still exist, and if you have access to the newest one, check both the white & yellow pages. Are all the business entities listed reporting? If your local phone book is not available, the World Wide Web is your next best resource.

Local Contacts: Contact your county clerk. Do certain business entities require a special county license or permit to operate? Your county clerk can give you information, and possibly a listing of all entities that have purchased the license or permit. How about the municipalities in your county? They can provide you with the same kind of information, including franchisees. Give them a call. Explain what you desire, why you need the information, and how you will use the information. Above all, be courteous. Go over in your mind and try to recall if you might have some information that you can exchange. Try to offer something in return. Remind them that your endeavors mean a fair and equitable tax distribution among all taxpayers in their jurisdiction.

Final Listing: Now you should have a pretty good listing of all possible taxpayers. Check them and re-check them against your list of reporting entities. Nothing upsets a taxpayer more than a request to report something that he has already reported. A request of this sort makes him wonder if you and your office know what you are doing, and the last thing you want is someone in the business community questioning your competence.

Cover Letter & Questionnaire: Now you are ready to prepare a cover letter and a questionnaire. Make them simple. The simpler you make it, the better. Quote pertinent statutes, making sure you quote the most current statute and the correct citation. Send the letter and questionnaire out and request a response within a time frame you can meet. Say, fifteen days? Whatever fits your schedule so that you can do a thorough job. Check all responses. Verify duplicates. Check

companies reporting under subsidiary or parent company names closely. Be extra careful with the companies reporting under DBA's (Doing Business As).

Follow Up: Sometimes the first questionnaire is lost, misplaced, forgotten, or turned over to an employee who is no longer with the company. Make a list of all the entities that do not respond and call them. Remind them of the questionnaire. Send them another, if necessary. If they do not respond to the second questionnaire, visit them personally. If the taxpayer still does not cooperate with you, explain what the law mandates (an estimate - more than likely, based on his competitors and probably a HIGH estimate) and proceed. Do not be intimidated. Base your estimate on an average from those reporting entities that are comparable to the one that you are conducting a forced assessment on. If you do not have a comparable company, call your neighboring assessor.

If a taxpayer comes in, explain what you are doing and why. If a taxpayer becomes upset, do not place blame on anyone. Simply be courteous and state that it is the law. Do not try to defend the law and your purpose. Do not pass them on to someone else. If you are unable to provide answers at that moment, seek assistance from someone who can help, and then ensure you are prepared for next time. Read the statutes. Learn the procedures. Ask questions.

Explain the law to the taxpayer. Explain the unfairness of the non-payment of taxes and how other taxpayers may be paying additional taxes due to unreported or underreported portions of an entity's responsibility. Focus on the entity and not on the individual. Use examples that pertain to the taxpayer's industry. Try to instill a necessity for cooperation and fairness. Do not be intimidated with threats of legal action. If you are knowledgeable, use proper resources, and have physical evidence to back your assessment, then it will withstand all legal challenges. Be confident in your abilities, and, above all, be professional always. Remember your integrity and reputation is at stake. Make sure that the taxpayer is convinced that his entity is paying only a fair share and nothing else.

Continuous Compliance: Continue pursuing other sources of information. A few examples:

1. Income Tax Listing
2. Specialized Publications
3. Construction Industries Listings
4. Utility Company Listings
5. City Water Department
6. City Gas Department
7. Mailing List Agencies

Be aware that there is no end to compliance. Old entities close. New ones replace them. New technologies make way for new types of businesses. Attempt to keep abreast of all developments.

Retail Grouping: After everyone has reported, group the taxpayers by type. Compare the total valuations returned. Compare the taxpayer renditions within a Retail Group and analyze for averages. These averages can then be used for "Forced Assessments" against those within the group that do not report. Using the average valuation is easy. Using the average valuation within a retail grouping is also fair, logical, and easily defended at a legal proceeding. (See Appendix II for a listing of "Retail Groups").

TAXPAYER COMPLIANCE

In many counties, individual taxpayers are not complying with current property tax laws. There are probably two reasons for this. The first one is that many employees at the assessor's office are not familiar with the Property Tax Code. The second is that no one is knocking on the taxpayer's door. Unfortunately, many taxpayers, consultants, accountants and attorneys are not familiar with New Mexico Property Tax Laws. You may be surprised at the number of business people who simply do not know that their personal property is subject to property taxation. It is up to you to educate the taxpaying public. This is a great challenge for the county assessor's office and especially the personal property appraiser. Why not meet it? You can start today.

It is usually a good idea for the assessor's office to undertake a public information or awareness program. A regular property tax flyer should be part of the materials distributed by your local chamber of commerce.

Occasionally, when applicable, a press release should be prepared for your local paper. If you do not advertise your intentions, you do not get results.

NET BOOK VALUES AND IRS COMPLIANCE

An argument may be made to accept the net book value as carried on the books of the taxpayer for Federal Internal Revenue Service reporting purposes. This approach is contrary to New Mexico Law. **DO NOT** accept IRS net book values.

New Mexico Statutes dictate using the IRS adopted class lives for the valuation of personal property assets and the depreciation schedules found in this manual. Nothing else is acceptable.

The return made by the taxpayer to the IRS is helpful. Request a copy from the taxpayer and review it to see whether the assets are listed on the taxpayer's depreciation schedule. If depreciation has been claimed for the prior taxing period, the asset should be assessed. Use the acquisition cost as it appears on the depreciation schedule and the recommended life listed in the Asset Class Life tables of this manual.

Remember, of course, that some depreciated assets are not subject to property tax. Automobiles licensed with the state of New Mexico, for example, are exempt. If a taxpayer is not reporting for Federal Income Tax purposes, but should be, the fact that he/she is not claiming a deduction for depreciation for federal income tax purposes does not dismiss him/her from property tax responsibilities. If the taxpayer has a business of any kind, he/she should be reporting their business income on their federal income tax report. A Schedule C, Schedule C-E, Schedule F or Schedule E should be filed. Form 4562 and supporting documents should be available for inspection to verify that the assets are or are not being depreciated. Remember that an asset may be legally expensed off in the first year (Section 179) for Federal Income Taxes, and if it has been, you can pick it up for assessment purposes only in the tax year after the fiscal year in which it has been expensed.

Another example is when an asset is purchased sometime after the prior year's Federal Income Tax Report is filed, but before the current year's Federal Income Tax Report is due. Logic would dictate that if the asset is in your taxing jurisdiction on January 1st, you should put it on the tax roll if the asset is reportable for Federal Income Tax Purposes in that same year. The fact that the January 1st situs date and the statutory reporting deadline of February 28th both fall BEFORE the April 15th Federal Income Tax reporting deadline creates a gray area, but the IRS has addressed it as follows: *"Depreciation for tax purposes begins when an asset is placed in service and ends when it is retired from service"*[11] and the fact that "*the IRS considers an asset to be 'placed in service' when it is in a condition or state of readiness and availability for its assigned function."*[12]

[11]Regs §1.167 (a)-10(b).

[12]Rev. Rul. 76-238, 1976-1 C. B. 55.

WHAT TO LOOK FOR

IN ALL CASES - Office furniture, office equipment, computers and computer software, telephones, typewriters, calculators, copy machines, fax machines, check writer machines, file cabinets, safes, coin operated machines, mail metering machines, tape recorders, and signs. Please note that custom software is exempt from property taxation. The following test is a helpful guide to determine if **computer software** is taxable or exempt from property taxation:

Computer Software Subject to Taxation

1) Software is readily available for purchase by the general public.
2) Software is subject to a non-exclusive license.
3) Software has not been substantially modified.

Computer Software *Not* Subject to Taxation

1) Software is customized for the company only.
2) Software is subject to an exclusive license.
3) Software is greatly modified.

Attorney's Offices - Libraries.

Banks - Safety deposit boxes, closed circuit TV's, money machines.

Beauty & Barber Shops - Special tools and equipment, (shears, blow dryers, hair clippers), large hair dryers, televisions & CD players.

Contractors - Unlicensed vehicles, compressors, cement mixers, drill presses, lathes, sanders, table and band saws, joiners, shapers, welding equipment, milling machines, etc.

Doctor's and Dentist's Offices - Special surgical and dental equipment, dental chair units, X-ray units, high-speed drill units, examination tables, operating tables, surgical and dental supplies.

Laundry - Washers, dryers, dry cleaning machines, change machines, soap machines, folding machines.

Leasing/Rental Agencies - Vehicles with out-of-state license plates, VCR's, DVD's, TV's, stereos, VCR & DVD Tapes.

Manufacturing - Special tools, jigs, dies.

Motels, Hotels, Apartments, Rental Condos & Houses - Linen (sheets, pillow cases, towels), televisions, beds, furniture, satellite dishes, floor buffers, stamp machines, ice makers, prophylactic and sanitary napkin vending machines, kitchen appliances.

Nursing Homes - Beds wheel chairs, special equipment, and oxygen tanks.

Printing & Publishing - Photographic equipment, printing press, industrial paper cutters, folding machines collators.

Propane Distributors - Propane tanks, pumps.

Radio Broadcasting - Head-end equipment, antennas and towers, satellite dishes, subscriber receiver boxes, testing equipment, coaxial cable, transmitter, monitors, studio equipment, tape recording and remote pickup equipment.

Radio & Television Repair Shops - Tube testers, PA Amplifiers, light & power units, voltmeters, signal generators, oscillators, calibrators, scanners, millimeters, battery testers, transistor testers, bench power supply units, analyzers, ammeters, color scopes, pulse generators.

Ranches & Farms - Tractors, special tools, equipment, fuel tanks, unlicensed vehicles.

Recreation Centers & Bowling Alleys - Coin operated machines, pinsetters, and billiard tables.

Restaurants & Saloons - Coin operated vending machines, coffee makers, ice crushers, beverage dispensers, mixers, slicers, grinders, glassware, silverware, crockery, linen, satellite dishes, and televisions.

Retail Stores - Electronic cash registers, closed circuit TV systems, ice machines, signs, paint mixers, key making machines, basket carts, and forklifts.

Sawmills & Logging - Conveyors, handling equipment, road equipment.

Service Garages & Body Shops - Small hand tools, electronic testing equipment, hydraulic lifts, drill press, buffers, grinders, tire changers, air compressors, tire balancing equipment, brake drum lathes, battery chargers, wheel alignment machine.

Travel Agencies - Computers, software.

Two-way Radio Equipment - Repeater stations, transmitter-receiver console, poles, towers, antennas, power cables, telephone handsets, mobile decoders and encoders.

Water Well drilling - Drilling rigs, pumps, & special tools.

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APPENDIX I

7-36-33. SPECIAL METHOD OF VALUATION--CERTAIN INDUSTRIAL AND COMMERCIAL PERSONAL PROPERTY.--

A. The following kinds of property shall be valued for property taxation purposes in accordance with the provisions of this section:
   (1) all property used in connection with mineral property and defined in paragraph (1) of Subsection B of Section 7-36-23 NMSA 1978 and Paragraph (1) of Subsection B of Section 7-36-25 NMSA 1978;
   (2) all industrial, manufacturing, construction and commercial machinery, equipment, furniture, materials and supplies subject to valuation for property taxation purposes and not subject to valuation under the provisions of Sections 7-36-22 through 7-36-32 NMSA 1978;
   (3) all other business personal property subject to valuation for property taxation purposes and not subject to valuation under the provisions of Sections 7-36-22 through 7-36-32 NMSA 1978; and
   (4) construction work in progress that includes any of the items of property specified in paragraphs (1), (2) or (3) of this subsection.

B. As used in this section:
   (1) "depreciation" means the straight-line method of computing the depreciation allowance over the useful life of the item of property;
   (2) "useful life of the item of property" means the "class life" for same or similar kinds of property as defined and used in Section 167 of the United States Internal Revenue Code of 1954 as amended or renumbered'
   (3) "other justifiable factors" includes, but is not limited to, functional and economic obsolescence;
   (4) "schedule value" means a fixed value of an individual property unit within a mass of similar or like units established by determining the average unit tangible property cost of a substantial sample of such property and deducting there from an average related accumulated provision for depreciation per unit and an average of other justifiable factors per unit;
   (5) "tangible property cost" means the actual cost of acquisition or construction of property including additions, retirements, adjustments and transfers, but without deduction of related accumulated provision for depreciation, amortization or other purposes; and
   (6) "construction work in progress" means the total of the balance of work orders for property in process of construction on the last day of the preceding calendar year but does not include the equipment, machinery or devices used or available to construct such property but not incorporated therein.

C. The value of individual items of property subject to valuation under this section, except construction work in progress, shall be determined as follows:
   (1) the valuation authority shall first establish the tangible property cost of each item of property;

(2) from the tangible property cost shall be deducted the related accumulated provision for depreciation and any other justifiable factors; and

(3) notwithstanding the foregoing determination of value for property taxation purposes, the value for property taxation purposes of each item of property valued under this subsection shall never be less than twelve and one-half percent of the tangible property cost of such item of property so long as the property is used and useful in a business activity.

D. Construction work in progress shall be valued at fifty percent of the actual amounts expended and entered upon the accounting records of the taxpayer as of December 31 of the preceding calendar year as construction work in progress.

E. The Division may establish a schedule value for the same or similar kinds of property to be valued under Subsection C of this section for property taxation purposes. In arriving at a schedule value, the Division shall:

(1) determine the average unit tangible property cost of a substantial sample of the same or similar kinds of property;

(2) such unit average tangible property cost shall then be reduced by the average related accumulated provision for depreciation per unit applicable to the sample of the same or similar kinds of property and shall then be further reduced by an average of other justifiable factors per unit applicable to the same or similar kinds of property; and

(3) from the foregoing determination, a schedule value for the same or similar kinds of property shall be determined and set forth in a regulation adopted pursuant to Section 7-38-88 NMSA 1978 [repealed].

F. The Division shall adopt a schedule value for the following kinds of property:

(1) drilling rigs; and

(2) large off-the-road highway construction equipment.

G. Each item of property having a taxable situs in the state and valued under this section shall have its net taxable value allocated to the governmental unit in which the property is located.

H. The Division shall adopt regulations under Section 7-38-88 NMSA 1978 [repealed] to implement the provisions of this section.

History: 1953 Comp., § 72-29-22, enacted by Laws 1975, ch. 165, § 14; 1982, ch. 28, § 5.
Annotations: Laws 1991, ch. 166, § 14 repealed 7-38-88 NMSA 1978, referred to in Subsections E and H. For present comparable provisions, *see* 9-11-6.2 NMSA 1978. "Division" or "property tax division" means the property tax division of the taxation and revenue department, the director of the division or any employee of the division exercising authority lawfully delegated to that employee through the director.

APPENDIX II

RETAIL GROUPINGS

1. FOOD STORES – Supermarkets, Neighborhood Grocery, Convenience Stores, Meat Markets.

2. BAKERIES – Bakeries, Bakery combined with Restaurant.

3. VARIETY & GENERAL MERCHANDISE STORES – Department Stores, Nickel & Dime.

4. APPAREL STORES – Children & Infant's Wear, Ladies Wear, Bridal Shops, Maternity Shops.

5. SHOE SHOPS – Family Shoes, Children's Shoes, Men's and Boy's Shoes, Ladies Shoes and Hosiery.

6. DRY GOODS STORES – Yard Goods, Curtain & Drapes, Luggage, and Leather.

7. HOME FURNISHINGS STORES – Household Appliance, Radio, Television, Hi-Fi's, Furniture, Floor Covering.

8. AUTOMOTIVE SALES – New Car Dealers, Used Car lots.

9. GASOLINE SERVICE STATIONS – Full Service, Self Se, Convenience Store with gasoline.

10. HARDWARE STORES – Paint, Glass, Wallpaper.

11. RESTAURANTS AND BARS – Restaurants with bars, Bakeries with restaurant, Service Restaurants, Lunch Counter Restaurants, Fast Food, Drive-In Restaurants, Snow cone type Stands.

12. PACKAGE LIQUOR STORES

13. DRUG STORES – Pharmacies, Drug Stores with Soda Fountain, Drug Stores with Lunch Counter.

14. JEWELRY STORES

15. SPORTING GOODS – Fishing Supplies, Fruit Stands, Bait Shops.

16. BOOKSTORES – Card Shop, Souvenir Shop, Camera Shop, Tobacco Shop, Florist Shop, Coin Shop, Music & Record Shop, Video Rental Stores.

17. BARBER SHOPS

18. BEAUTY SHOPS

19. DRY CLEANING SHOPS

20. LAUNDRY

21. FUNERAL HOMES

22. REPAIR SHOPS – General Repair Shop, Plumbing Shop, Upholstery Shop, Shoe Repair Shop, Television and Radio Repair Shop.

23. HOTELS/MOTELS – Chain Hotels, Private Hospitals, Nursing Homes, Furnished Apartments.

24. THEATERS – Indoor, Outdoor Drive-Ins.

25. GENERAL BUSINESS OFFICE – Real Estate, Insurance, Car Lot Office, Accountant's Office, Lawyer’s Office, Dental Office, Doctor's Office, Chiropractor's Office, Veterinarian's Office, Optician's/Optometrist's Office.

26. RECREATION – Bowling Alley, Video Arcade.

27. MEDICAL FACILITIES – Doctor’s Office, Dental Office, Chiropractors/Acupuncture Office, Ophthalmologist/Optometrist Office, Medical & X-ray Laboratories & Veterinarian’s Office.

28. BREWING & DISTILLING

APPENDIX III

International Association of Assessing Officers (IAAO)
STANDARDS ON VALUATION OF PERSONAL PROPERTY[13]
Approved December 2005

The assessment standards set forth herein represent a consensus of thought in the assessing field and have been adopted by the Executive Board of the International Association of Assessing Officers (IAAO). The objective of these standards is to provide a systematic means by which assessing officers can improve and standardize the operation of their offices. **The standards presented here are advisory in nature, and the use of, or compliance with, such standards is purely voluntary. If any portion of these standards is found to be in conflict with state law or the Uniform Standards of Professional Appraisal Practice (USPAP), *USPAP and state law shall govern*.**

1. Scope
This standard is intended to provide recommendations for defining, classifying, discovering, reporting, verifying, and valuing personal property for ad valorem tax purposes. It is beyond the scope of this standard to address unique valuation issues that may arise in the appraisal of personal property associated with public utilities, telecommunications, railroads, or similar properties.

2. Introduction
The purpose of this standard is to present methods that assessing officers can use to achieve uniform and equitable personal property valuation. Effective administration of a personal property assessment system depends, in part, on legislation and regulations that provide clear direction for determining the proper status of personal property for assessment and taxation. Such administration also requires an adequate budget to obtain the resources necessary to assess personal property accurately and equitably.

3. Definition of Personal Property
Property means an aggregate of things or rights to things whose possession is protected by law.

There are two basic types of property, real and personal. Real property means land or any interest arising there from, including land, buildings, easements, and affixed improvements generally classified as immovable.

Personal property by its nature is not permanently attached and therefore is movable. Criteria for distinguishing whether an item is real or personal property in a particular situation usually include intent of owner, means of attachment, and contribution to highest and best use of the property, case law, and statutory and legal guidelines.

Personal property is divisible into two classes, tangible and intangible. Tangible personal property includes material items such as animals, watercraft, aircraft, motor vehicles, furniture and fixtures, machinery and equipment, tools, dies, jigs, patterns, and stock in trade (including

[13]The "Standard on Valuation of Personal Property" as adopted by the Executive Board of the International Association of Assessing Officers is reproduced here with prior written permission of the publisher, International Association of Assessing Officers, PO Box 94573, Chicago, IL 60690-4573.

inventories, supplies, materials in process, and other similar items).

Intangible personal property includes representations of rights to property; for example, money, shares, annuities, patents, stocks, bonds, notes receivable, insurance policies, accounts receivable, licenses, franchises, money market certificates, certificates of deposit, and copyrights.

An assessment statute should explicitly define the types of personal property subject to and exempt from assessment and taxation, thereby avoiding the expense of listing and valuing items of uncertain assessment status. State and provincial agencies should provide supplementary guidelines and clarifications as required. Legislation should also explicitly define the situs of personal property for assessment purposes and should specify a common assessment date for all taxing authorities.

4. Discovery of Personal Property

The extent to which taxable personal property can be assessed depends upon its discovery. Disclosure of personal property is often contingent on initially identifying the owner of the property. Complete discover requires adequate manpower and supporting resources. Taxation agencies should be empowered to issue binding rules and regulations covering the discovery of personal property. Basic sources for the discovery of personal property and its owners include:

1. previous assessment records
2. physical inspections
3. personal property listing forms
4. real property field appraiser reports and records
5. previous audits
6. state and local sales tax permits
7. city and county business licenses
8. credit reports
9. chamber of commerce memberships
10. new business listings from the news media
11. property transfer documents
12. classified advertisements
13. telephone directories
14. city directories
15. accounting records, including financial statements
16. income tax returns (state and federal)
17. internet research on business operations and contacts
18. web sites, specifically leasing and sales
19. public records (e.g., trade name records, corporation charters, partnership articles, and assumed name notices);

Once the property has been discovered and the owner identified, an appraiser should systematically inspect the property and establish an account or record for the owner (or business). A standard form or checklist, showing the date of inspection, should be used for this purpose. The appraiser should speak to the owner or manager of the property, explain the purpose of the visit, and then obtain the necessary data from the owner, manager, or other appropriate persons.

Information that should be obtained about a business includes the following:

1. name of the business

2. type of business (e.g., restaurant or motel)
3. type of ownership (e.g. sole proprietorship, partnership, franchise, or corporation)
4. mailing address of the business
5. name and address of the owner(s)
6. telephone number of the business
7. name and title of the person supplying the information
8. name, address, and telephone number of the party keeping records for the business
9. beginning date of the business and business fiscal year
10. e-mail addresses
11. for leased equipment, the name and address of the lessor, information on the equipment (including name of manufacturer, date of manufacture, description, model number, serial number, list price, and original cost if available), and lease number, terms of lease (if possible, a copy of the lease agreement should be obtained)
12. for loaned or consigned items (e.g. vending machines, amusement devices, and juke boxes), the name and address of their owner(s) and a brief description
13. whether a business rents or leases items in its inventory as part of its normal operation, for such items may be assessable inventory
14. the nature of any leasehold improvements, because these may be assessable as real property and care should be taken to avoid double assessment and taxation
15. a list of equipment owned by the business but located at another site within the jurisdiction, including a brief description and address

5. Reporting of Personal Property

In an ideal world, appraisers would physically list individual personal property items. Time and personnel constraints, however, usually dictate the use of a reporting form completed by the taxpayer or his agent, supplemented by periodic audits by the appraiser. Reporting forms should be mailed within sufficient time to allow their proper completion and return. A cover letter should accompany the form. This letter should identify the tax year, explain the purpose of the form, reference applicable statutes, state the required return date, contain instructions for completing the form, and include a telephone number for obtaining assistance.

Personal property reporting forms for machinery and equipment usually have one of two formats. One format is based on reporting original costs by type of property and by year of acquisition. This permits the appraiser to apply appropriate cost trending and depreciation factors against reported costs for each category of machinery and equipment. This format requires the property owner to recalculate total acquisition cost for each category each year. There is, though, no itemized list that allows the appraiser to verify complete reporting on an item-by-item basis.

The second, more extensive format is based on an initial itemized listing of all items of machinery and equipment, including manufacturer, model number, serial number, and year and cost of acquisition. Items of the same type, however, can be generally be grouped. The taxpayer then need report annually only new acquisitions and deletions, again along with appropriate descriptions and acquisition costs. This system promotes verification and valuation accuracy, since each item or grouping of similar items can be separately trended or depreciated or both. Such a system, however, also requires the assessor to maintain a permanent file of all items of personalty.

With either format, the instructions on the form should make clear which items are to be reported and which items are to be excluded. Special attention should be given to leasehold improvements, equipment leased from others, inventories, and equipment awaiting installation. The instructions should also specify whether reported costs should include freight costs, installation costs, taxes, or fees.

6. Verification and auditing

6.1 Authority

Statutes should give assessors and their representatives the authority to examine the property, books, papers, and accounts of taxpayers. Statutes should also provide appropriate penalties for those who fail to file in a timely manner or who deny the assessor access to property and records. Penalty for failure to make a report as required under Section 7-38-8 of the Property Tax Code is to be applied in the amount of (5%) Five Percent of the property taxes ultimately determined to be due on the property.

6.2 Audit Program

The assessor should establish an audit program designated to facilitate the full and proper listing of all personal property in the assessment jurisdiction. In general, emphasis should be placed on the audit of new accounts, major accounts, accounts with significant changes from the previous year, and accounts that are suspected of being improperly reported. All accounts should be audited periodically, however. The purpose of an audit is to verify that all personal property items have been reported and that the information given is accurate. A physical inspection will help to verify the completeness of the reports.

In addition, the appraiser should examine a detailed plant ledger or similar record, if available, that provides such information on each item as description, serial number, manufacturer, date of purchase, date of installation, location, acquisition cost, depreciation charges, and retirement provisions. The appraiser should verify that assessable items have been completely and properly reported. It is important that acquisition costs include charges for freight, taxes, fees, and installation, if applicable.

In determining whether all assessable items have been reported, special attention should be directed to standby equipment, permanently idled equipment, retired or fully depreciated equipment, and uninstalled equipment. Regardless of book values, such equipment and inventory should be listed and valued unless specifically exempted. In general, the status of personal property as of the assessment date determines its assessability and situs for tax purposes.

The appraiser should compare total reported costs with those shown in the general ledger or balance sheet of the business in order to verify that all property has been reported.

The appraiser should verify that leased items, of which the business is either the lessor or lessee, have been properly reported and assessed to the proper party. If leasehold improvements exist, the appraiser should ensure that they are being assessed on either the real property or the personal property roll.

Simultaneous review of real and personal property records can also help to assure complete assessment of property.

Time and cost considerations sometimes dictate that the appraiser may not be able to verify the proper reporting of each item of personal property at each site or business being audited. Often, verifying a sampling of major items listed in the detailed plant ledger, a walk-through inspection, and an examination of the general ledger, balance sheet, or other appropriate records will suffice. It may also be helpful to check a sample of recent invoices to see if the taxable assets have been properly reported. The overall objective of the audit and verification process is to promote proper reporting to the extent possible with available resources.

7. Valuation

7.1 Trade Level

The appraiser should value personalty at the level of trade at which it is found. Such considerations are particularly important in inventory valuation. All approaches to personal property valuation should take into consideration trade level, which refers to the production and distribution of a product. The appraiser should recognize the three distinct levels of trade: the manufacturing level, the wholesale level and the retail level. Incremental costs (such as freight overhead, handling, and installation) are added to a product as it advances from one level of trade to the next, thereby increasing its value as a final product. The value of goods will differ depending on the level of trade.

7.2 Valuation Techniques

The cost, income and sales comparison approaches should be considered in the appraisal of personal property. The degree of dependence upon any one approach will change with the availability of reliable data. In addition, value-per-square-foot figures developed for comparable properties can be used to check the value estimates derived from the standard appraisal approaches. Such figures can also be used when the data required for other approaches are unavailable.

7.2.1 Cost Approach

Costs used in the cost approach can be original acquisition, replacement or reproduction costs although often only original or acquisition costs are readily available for personal property. The cost approach provides an estimate of value based on the depreciated cost of the property. In applying the cost approach to personal property, the appraiser must identify make and model number of the personalty, year acquired, and total acquisition costs including freight, installation, taxes and fees. Acquisition costs of equipment acquired pursuant to a lease-purchase agreement should include the total payments, not just the final payment. The acquisition costs should then be trended and depreciated as appropriate to reflect current market values unless statutes or specific market data dictate otherwise.

The assessor should recognize that appraisal and accounting practices may differ in depreciating machinery. Accounting practices provide for recovery of the cost of an asset, while appraisal practices strive to estimate a value related to the current market. Appraisal practice should consider depreciation in the forms of physical deterioration, functional obsolescence, and economic obsolescence.

Useful guidelines in the form of depreciation schedules or tables are available from central assessing authorities, professional revaluation companies, and appraisal publishing firms. Generally, these guides are sufficiently accurate for use in mass appraisal or property. However, there are always particular types of property where accrued depreciation defies the use of guides and can only be estimated by applying experience and judgment.

If guides do not exist for specific types of personal property, it is recommended that they be developed.

7.2.2 Sales Comparison Approach

The sales comparison approach may have limited application in appraising machinery and equipment used in business, since sales of used items are generally few and are often liquidation sales, which typically are not at market value. On the other hand, list prices, including delivery costs and sales taxes, when supported by the marketplace, can be good indications of value. Care must be taken to assure that the property is valued at the proper level of trade. Trade and cash discounts should be subtracted from the list prices, particularly if the equipment sold is still at the wholesale level of trade.

If reliable sales data are available, the adjustment process can be applied in the same manner as in real estate, with one exception; sales of comparable real properties usually have a positive adjustment for time because of appreciation. Since depreciation of machinery and equipment may outpace inflationary effects, sales of this type of property may require a negative adjustment for time.

7.2.3 Income Approach

The income approach produces an estimate of the present worth of income to be received in the future. To apply this approach the assessor must estimate the income stream over the remaining economic life of the subject equipment. Typical gross incomes may differ under various leasing arrangements, although lessors may be able to supply average gross revenues for each type of model of equipment. The historical pattern of net income streams, together with an analysis of current leasing patterns, will suggest the likely shape of future income streams. The capitalization technique chosen should be consistent with the anticipated income stream.

When reliable data on equipment leases are available, the income approach can provide good value estimates. Lessors should be required to document operating expenses to be deducted from the gross income. These expenses include management expenses directly associated with the production of lease revenue, equipment maintenance expenses, and the like.

Developing a capitalization rate is a critical step in the capitalization process. Capitalization rates contain provisions for return on investment (discount rate) and capital recovery (return of the investment). In addition, property taxes may be accounted for as a component of the capitalization rate. The discount rate compensates investors for their entrepreneurial efforts; it is determined by the anticipated rate of return and the risk associated with a particular investment. Capital recovery is a provision for recapture of the investment over its economic life.

Data on the economic lives of equipment can be obtained from a number of sources.

Lessors are perhaps the best source, although typical economic lives should be documented with dates of acquisition and disposal of actual items. These data can be used to estimate recapture rates. When applying the income approach, consideration should be given to the salvage or scrap value, if any, when the equipment has reached the end of its normal life expectancy.

In cases where equipment is both sold and leased, gross income multipliers should be developed. Gross income multipliers can provide reliable value estimates for personal property items that have similar operating expenses, discount rates, and remaining economic lives.

7.3 Valuation Guidelines for Tangible Personal Property

As discussed in section 7.2, the cost, income and sales comparison approaches should be considered in the appraisal of tangible personal property. However, certain types of personal property do not readily lend themselves to development of all three generally accepted approaches. If sufficient sales data are available to support use of the sales comparison approach, it should receive primary consideration. In many instances, however, sufficient sales data are not available, and in these instances more reliance in placed on the cost approach or the income approach.

The following are procedures typically used in the valuation of common types of personal property.

7.3.1 Machinery and Equipment

Machinery and equipment are items of personalty used in the normal conduct of business, not permanently attached and, unlike inventory, not intended to be sold. Factors that influence the valuation of machinery and equipment are utility, usefulness to the owner, and ability to produce income. At the end of economic life, however, consideration should be given to salvage or scrap value. The market value of machinery and equipment typically follows a declining path once the assets are acquired and put into operation.

The most common and generally applicable approach for the valuation of machinery and equipment is the cost approach, although the sales comparison approach should receive primary consideration when adequate data are available. In particular, small equipment for which there is often an active resale market may lend itself to valuation by the sales comparison approach.

Tools, dies, jigs, and patterns generally have very short lives and therefore are often appraised at book value.

7.3.2 Furniture and Fixtures

The same procedure as described for the appraisal of machinery and equipment is generally used in the appraisal of furniture and fixtures.

7.3.3 Leased Equipment

The valuation of leased equipment is complicated by such factors as the wide variety of leased equipment, the variety of leasing arrangements, rapidly changing technologies, and changing market conditions. These factors can cause the quality and quantity of available market data to vary.

The income approach can be used in valuing leased equipment since data on sales and rental rates are usually available. When sales data are available, emphasis should be given to income multipliers derived from market data and to the sales comparison approach.

The cost approach may be used in the valuation of leased equipment but must be utilized with caution, since markups of cost to list prices may vary from one company to another on the same type of equipment and vary with the level of trade. If manufactured cost is the only information that is reported, it is recommended that the assessor try to obtain more data from the lessor or try to compare the equipment in question with similar equipment of known cost.

7.3.4 Inventories

The term *inventories* includes specific categories of goods held for resale in the course of business, goods in the process of production, and raw materials.

The classification of certain types of goods as inventories or otherwise will change depending on the trade level at which the appraisal is being made. Machinery and other equipment that remains classified as inventories at the manufacturing, wholesale, and retail levels become machinery and equipment upon reaching the end user.

Inventory valuation, both for work in process and for finished goods, should include the value of labor, materials, and overhead expended during production.

There are many valuation methods for estimating the value of inventories for assessment purposes. Some of the more common ones are: 1. Cost of goods sold. 2. Gross profit. 3. Retail pricing. Caution should be exercised when estimating inventory values from the owner's accounting records, since most accounting systems use an original acquisition cost basis for pricing inventory and do not necessarily reflect market value as extracted from the marketplace. The assessor should be aware of typical turnover rates when valuing inventory.

7.3.5 Supplies

Supplies are stocks of goods intended to be consumed during the production process but are not part of the raw materials inventory that is processed into the finished product. Examples of supplies include chemicals, clothing, pallets, paper, fuels, and repair parts. Unlike inventory, supplies are not held for resale.

Supplies should be valued at their acquisition cost.

7.3.6 Consigned Goods

Consigned goods are personal property in the possession of an agent, held for sale by that agent. They should be valued, at the appropriate level of trade, as part of the consignor's inventory.

7.3.7 Imports and Exports

Assessors should be aware of the legal status of import and export merchandise to determine its taxable status.

If there is no exemption provided by statute, then the techniques used in estimating the

value of inventories should be utilized in valuing imports and exports.

7.4 Valuation Guidelines for Intangible Personal Property

Intangible personal property is exempt from property taxation in New Mexico. If tangible personal property could be valued, the discovery, reporting, verification, and proper valuation of intangible personal property would be a difficult process and would be expensive. The methods for discovering, reporting, verifying, and auditing intangibles are the same as for tangible personal property, however. Pertinent information required includes type of asset, name of issuer, date of acquisition, legal life, expected useful life, face value or par value, market value, dividends or other income. Various published sources provide information on the selling price of intangibles.

Assessment of intangibles should be administered by state-level governments since these governments normally have income tax responsibilities and income tax returns are one of the most important sources of discovery of intangibles. Statutes should provide concise guidance on the assessment of intangibles. The benefit/cost ratio of taxation of intangibles is such that many states have exempted intangible personal property from taxation.

Selected References

California. State Board of Equalization. Assessment Standards Division. *The Appraisal of Equipment, Inventory and Supplies.* Assessors Handbook 571. Sacramento: California State Board of Equalization, Assessment Standards Division, 1974. 137 p. This handbook contains an excellent discussion of valuation methods; although written to conform with California laws, much of the discussion is of general interest. The Board also publishes *General Audit Guidelines* (Assessors Handbook 504) and *Management of the Business Property Program* (Assessors Handbook 503). Substantial personal property manuals are also issued by Arizona, Tennessee, and Washington.

Clatanoff, Robert M. *Tangible Personal Property: Valuation, Assessment, and Taxation*. Bibliographic Series. Chicago: International Association of Assessing Officers, Research and Technical Services Department, 1982. 20 p. A selected annotated bibliography that is divided into three sections. The first section is "Assessment Methods and Practices and Tax Policies"; the second is governmental manuals on personal property; and the third is "Price Guides, 'Blue Books', Indexes, etc.".

Gossett, James F. "Assessment Law Notes: Problems in Intangibles Taxation." *Property Tax Journal* 3 no. 4 (December 1984): 277-88. Review of case law dealing with many aspects of intangible personal property assessment and valuation, for example, who should pay, situs, valuation, exemptions, discrimination.

O'Keefe, Kevin M. "The Classification Issue and the Law of Fixtures: A Chattel by Any Other Name…" *Journal of State Taxation 2* no. 1 (Spring 1983): 37-57. A survey of case law on the law of fixtures, focusing on the attachment doctrine, the institutional doctrine, the integrated industrial plant doctrine, and the material injury test: Illinois, New Jersey, and California are featured. See also the article following.

Hyman, M. Allan. "Commercial Property Assessments: Criteria for Classifying Personal Property as Real Estate", 59-66.

Skaff, Michael S. "Computerized Personal Property Valuation Models*" International Property Assessment Administration 7* (1974): 194-201. A paper that examines the use of computers in the administrative function (computation of assessed values, bills and rolls) and in the analysis of the valuation function (including determination of property life).

Washington State Association of County Assessors and Washington State Department of Revenue. *Taxpayers Guide to Personal Property.* (Olympia): Washington State Department of Revenue, Property Tax Division, 1984. 12 p. A compilation of information on the personal property tax in Washington, most of the paragraphs with reference to the state statutes-definition, property subject to taxation, listing (with responsibilities of assessor and taxpayer), situs, verification, valuation (of 12 kinds of personal property), exemptions, appeal, etc. An example of the kind of brief guide that can be issued to assessors and property owners alike.

Typical Businesses and Equipment

Note: The following listings are not all inclusive.

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HIGH-TECH MEDICAL

Item	Age/Life Table
Cardiac Ultrasonic Scanners	6
CAT (Comp Tomography) Scanners	6
Diagnostic Ultrasounds	6
General Ultrasonic Scanners	6
MRI (Magnetic) Scanners	6
Nuclear Medicine Cameras	6
Ob/Gyn Ultrasonic Scanners	6
PET Scanners (Positron) Emission	6
All Portable Units of Same	6
Patient Service Related, i.e.	6
Monitors of all kinds	6
Anesthesia Monitors	6
Apnea Monitors	6
Blood Pressure Monitors	6
Chart Recorders	6
Defibs	6
Detox Analyzers	6
Dopplers	6
EEG Machine	6
EKG Machines	6
External Pace Makers	6
Heart Rate Devices	6
Neurological Monitors	6
Oximeter	6
Oxygen Analyzers	6
Spriometers	6
Systolic Monitors	6
Temperature Monitors	6
Angiographic X-ray Units	10
Chest X-ray Units	10
Dental X-ray Units	10
Flourographic X-units	10
Mammographic X-ray Units	10
Medical Laser Units	10
Portable X-ray Units	10
Radiographic X-ray Units	10
Special Procedure X-ray Units	10
All Portable Units of Same	10

AMUSEMENT

Item	Age/Life Table
Air hockey tables	6
Basketball games (single, two, three+ player)	10
Billiard/pool tables (complete*) and accessories	10
Boxing machine	6
Coin or token machines	14
Countertop touch machine	6
Dartboard—electronic	6
Electric crane machines	6
Foosball table	6
Jukebox	6
Jump houses—inflatable/obstacle courses	3
Kiddie rides	3
Photo booths	10
Pinball machine	3
Ping pong table	6
Redemption machines	6
Video and dance games—“sit-down” type, smaller, deluxe	3
Virtual bowling and shuffleboard	3

* Complete includes all sizes, freight and set-up, set of balls, rack, 4-cue sticks, wall mount cue stick rack, crutch cue, and table dust cover.

APARTMENTS

Item	Age/Life Table
Armoire	10
Beds	
Queen - set (includes mattress, box spring, and frame)	10
Double - set (same)	10
Bookcase	10
Chest	10
Cocktail Table	10
Credenza	10
Dinette Set-Table and 4 Chairs	10
Dishwasher	10
Drapes-Per Window	10
Dresser	10
Fitness equipment	10
Floor Lamp	10
Game Table (30 inch)	10
Grills	10
Headboard-Queen / Double	10
Love Seat	10
Microwave	10
Mirror	10
Nightstand	10
Occasional Table	10
Pictures (each)	10
Pillows	50%
Pit Groups-Per Piece	10
Recliner	10
Refrigerator	10
Sectional Units	10
Side Chairs	10
Sleeper Sofa-Queen	10
Sofa	10
Stove/Oven	10
Table Lamp	10
TV	10
Upholstered Chair	10
Washer & Dryer	10

HOTEL, MOTEL, B&B

Item	Age/Life Table
Armoire	10
Beds (All - Includes Mattress, Box Spring, & Frame)	10
Clock Radio with CD	10
Coffee Maker-4 cup	10
Credenza-4 drawer	10
Credenza-2 drawer	10
Crib	10
Desk	10
Desk Chair	10
Drapes (60 x 40)	10
Dresser-4 drawer	10
Dresser-6 drawer	10
DVD Player	3
Fitness equipment	10
Floor Lamp	10
Game Table	10
Hair Dryer	3
Headboards-All	10
Ice Machine	10
Iron	10
Ironing Board	10
Iron/Ironing Board Combo	10
Lounge Chair	10
Low Chest-3 drawer	10
Luggage Cart	10
Luggage Rack-Metal Folding	10
Maid's Cart (Housekeeping)	10
Microwave	10
Mirrors	10
Nightstands	10
Pictures	10
Radio	10
Roll-A-Way Beds	10
Round or Game Table	10
Sleeper Sofa-Queen Size	10
Slider	10
Spreads-Queen	10
Table Lamp	10
Towels & Bedding (per single unit includes pillows)	50%

HOTEL, MOTEL, B&B (Cont.)

Item	Age/Life Table
TV Stand	6
TV 19-inch Color w/ remote control	6
TV 25-inch Color w/ remote control	6
TV 27-inch Color w/ remote control	6
TV 32-inch LCD Flatscreen w/ remote control	6
Video Player	3
Wall Hanging Lamp- Single & Double Arm	10
Washer & Dryer	10
V.I.P. rooms, add $2,540 if unit is furnished with round or heart-shaped bed	10

HOTEL, MOTEL, B&B (Cont.)

Hotel and Motel Typical Unit Costs include these items:

Single Rooms

Fair Quality	Average Quality	Good Quality
Double Bed	Queen Bed	Queen Bed
Frame	Frame	Frame
Headboard	Headboard	Headboard
Table Lamps (3)	Table Lamps (3)	Table Lamps (3)
Dresser / Desk	Dresser / Desk	Dresser / Desk
Desk Chair	Desk Chair	Low Chest
Lounge Chairs (2)	Lounge Chairs (2)	Desk Chair
Mirror	Mirror	Lounge Chairs (2)
Pictures (3)	Pictures (2)	Mirror
Luggage Rack-Metal	Luggage Rack-Metal	Pictures (2)
Spread	Spread	Luggage Rack-Wood
TV 19-inch w/ remote	TV 27-inch w/ remote	Spread
Towels & Bedding	Towel & Bedding	TV 32-inch w/ remote
Drapes	Drapes	Towels & Bedding
Game Table	Game Table	Drapes
		Game Table
		Floor Lamp
		Clock Radio
		Iron
		Ironing Board
		Coffee Maker
		Hair Dryer

HOTEL, MOTEL, B&B (Cont.)

Hotel and Motel Typical Unit Costs include these items:

Double Rooms

Fair Quality	Average Quality	Good Quality
Double Beds (2)	Queen Beds (2)	Queen Beds (2)
Frames (2)	Frames (2)	Frames (2)
Headboards (2)	Headboards (2)	Headboards (2)
Table Lamps (2)	Table Lamps (2)	Table Lamps (2)
Dresser / Desk	Dresser / Desk	Dresser / Desk
Desk Chair	Desk Chair	Low Chest
Lounge Chairs (2)	Lounge Chairs (2)	Desk Chair
Mirror	Mirror	Lounge Chairs (2)
Pictures (2)	Pictures (2)	Mirror
Luggage Rack-Metal	Luggage Rack-Metal	Pictures (3)
Spreads (2)	Spreads (2)	Luggage Rack-Wood
TV 19-inch w/ remote	TV 27-inch w/ remote	Spreads (2)
Towels & Bedding (2)	Towels & Bedding (2)	TV 32-inch w/ remote
Drapes	Drapes	Towels & Bedding (2)
	Game Table	Drapes
	Nightstand (1)	Game Table
		Nightstand (1)
		Floor Lamp
		Clock Radio
		Iron
		Ironing Board
		Coffee Maker
		Hair Dryer

BAKERY

Item	Age/Life Table
Bagel Display (Self-service, Refrigerated)	10
Baker Label Printer	10
Bench, Ingredient	10
Bread Rack, Midget	10
Bread Slicer and Bagger	10
Bun Divider, Rounder	10
Bun Slicer	10
Cart, cake box	10
Case, bakery (refrigerated & unrefrigerated)	10
Cookie Display	10
Cookie Machine	10
Dishwasher	10
Production Equipment	10
Dough Divian	10
Dough Hook 40-Quart	10
Dough Sheeter	10
Freezer, Bakery - 8x10	10
Glazer	10
Heavy Duty Wire Whip	10
Kook-E-King	10
Mixers, Bakery	10
Molding Machine, French Bread	10
Oven, Bakery	10
Oven, Pan	10
Pastry Filling Injector	10
Pot Rack	10
Projector, Designer	10
Proofer	10
Retarder (walk-in)	10
Sink, Bakery	10
Spice Rack, 8 feet	10
Stoves	10
Tables	10
Wire Shelving and Accessories (unassembled breakdown)	
Dunnage Racks (base for wire rack assembly)	10
Post (Chrome) 62 1/2 " (1 post each corner)	10
Shelf Dividers	10
Shelf Ledges (4" high) (1 ledge each side)	10
Shelves (zinc) Add 30% for coated wires	10
Tray Slides (Chrome) holds 12 trays	10
Wire Whip, Heavy Duty	10

BARBER AND BEAUTY SHOP

Overall Cost	Age/Life Table
Barber Shop - per chair	10
Beauty Shop - per station	10
Styling Shop	10

Per Item Cost	
All Purpose Chair	10
Chair/Dryer Combination	10
Back Bar	10
Barber Chair	10
Blow Dryers	3
Chair/Dryer Combination	10
Curling Iron	3
Dry Station	10
Dryer, Free Standing	10
Eight-in-One Function	10
Electric Clippers	3
Facial Station	10
Hair Processors	10
Hot Lather Machine	3
Hot Towel Sterilizer	10
Hydraulic Styling Chair	10
Hygienic Mat	10
Manicure Stool	10
Manicure Table	10
Massage Table	10
Massage Chair - Portable	10
Microderm Abrasion	10
Nail Tables	10
Pedicure Spa Portable	10
Perm Topper Stand	10
Pipeless Pedicure Spa w/ Motorized Seat	10
Retail Casing - 6 ft case	10
Rollabout Cart/Stand	10
Shampoo Back Bar (shampoo bowl, storage, etc	10
Shampoo Bowl (cast iron system/fiberglass)	10
Shampoo Chair	10
Shears/Razors	3
Tanning Bed	6
Vacuum Cleaner	10
Waxing Bed	10
Wet Station	10

BOWLING CENTER

Item	Age/Life Table
Ball Cleaner and Polishing Machine	10
Ball, house (7 per lane) each	10
Ball Resurface Machine, Hass	10
Ball Resurface Unit, Surface Factory Machine	10
Ball Spinner	10
Ball Storage Racks (portable)	10
Basic Bowling Light package, per lane	10
Bowling Pins (2 sets per lane, 1 extra set per 10 lanes - cost/set)*	10
Buffing Machine	10
Chairs - swivel (for spectator tables)	10
Dodo scale (used to balance bowling balls)	10
Drilling Machine (includes 40 bits, measuring device and jigs)	10
Mill-drill complete	10
Gutter and lane mop	10
refill (per head)	3
Lane Monitor System	10
Lane Oiler (LED readout)	10
Lane Oiling and Cleaning Combo	10
Lino Duster (lane dragger)	10
Lockers (5 per lane) each 10 unit bank	10
Measuring Ball (for finger layout	10
Model Wall Free Standing Table	10
Name Engraver	10
Pin Cleaning Machine - manual	10
Pin Cleaning Machine - start up kit	10
Shoes (8 pair per lane) each	3
Spectator Tables (48-inch round Formica)	10
Table & 4 Stationary Chairs	10
Table w/ 4 Swivel Chairs	10
Tool Kit (for pin setting machine)	10
Waste Receptacles	10

*Most bowling alleys have duplicate sets of pins which are used when others are being repaired.

CLOTHING STORE

Item	Age/Life Table
Accessory Racks	10
Cases / Counters	
Display Cases	10
Register Stand	10
Wrap Counter	10
Garment Racks	10
Grid Panels	10
Mannequins/Figure Forms	10
Merchandisers	
Display Table, metal legs, 5' long	10
Glass Cubes	10
Glass Shelf Displayer,	
Island Unit, 4' high, base 36" x 60"	10
Modular System, chrome plated tubing	10
Gondola Combination Unit, 60" x 48" x 16"-22"	10
Wall Unit, 5' high, base 36" x 48"	10
Mirrors	10
Perimeter Wall Displays	10
Picture Frame Card Holders	10
Security Items	10
Slotwall or Slatwall 4' x 8', wt. 90# per sheet	
Paint Ready	10
Red Oak (wood laminates)	10
White Birch (wood laminates)	10
Gray Melamine	10
Mirror (plastic laminates)	10
Regular plastic laminates	10
Steamer, clothing	10
Stockroom Rack (rolling)	10
Track Lighting, Power Track (including connectors), per ft.	10
Turn System (including ticket dispenser)	10

DENTAL

Item	Age/Life Table
Air Abrasive Cavity Prep Unit	10
Air Abrasive Economy Model	10
Amalgamator	10
Assistant's Cart	10
Cabinetry	
Doctor's sink console	10
Assistant's sink console	10
Split entry console	10
Rear treatment console with delivery system	10
Rear treatment console without controls	10
CD1 Player and Patient Education Disc	10
Chair	10
Compressor	10
Curing Lights	10
Dark Room Equipment (includes safe light, mixing valve, developing tank, duplicator, etc.)	10
Delivery System (3 hand piece over patient)	10
With Cuspidor	10
Digital X-Ray System	10
Medical Tools/Instruments	6
Hand Tools (per treatment room)	6
Intra-oral Camera Cart System	10
Intra-oral Camera System-multi-op network-per room	10
Laboratory Items (includes model trimmer, plaster bin, lathe, plaster tray, vibrator, etc.)	10
Lights (track mount)	10
Lights (unit mount)	10
Nitrous Oxide System (built in)	10
Nitrous Oxide System, portable (cart, head, 2 regulators)	10
Sterilizer	10
Stools (Doctors and Assistant) per pair	10
Ultrasonic Cleaner (benchtop)	10
Ultrasonic Instrument Cleaner (recessed)	10
Ultrasonic Scaler	10
Vacuum Pump (built in)	10
X-Ray Illuminator	10
X-Ray Machine	10
additional heads	10
X-Ray Processor	10
X-Ray Room	
Panoramic machine (full view) extraoral in addition to the GE 90 or 70KV X-Ray machines above	10

GROCERY STORE

Item	Age/Life Table
Alarm Systems-Surveillance	10
Box (storage)	
Dairy with customer doors 18 x 38 x 9	10
Freezer 10 x 11 x 8	10
Freezer 15 x 42 x 9	10
Floral 8 x 8 x 8	10
Produce 20 x 24 x 9	10
Cardboard Compactor and Tube	10
Carts (hand baskets, electric & shopping)	10
Cabinet, Video (locked storage)	10
Case	
Cheese (6' x 14')	10
Frozen Food/Ice Cream	10
Refrigerated (beverage, dairy, etc.)	10
Produce (12' sectional)	10
Cash Registers (electronic)	6
Check Out Scanner Units (processor, terminal, scanner)	6
Checkstands	10
Counter	10
Display	10
Disposal Unit - Produce	10
Dock Board	10
Garbage Compactor, 20-yard	10
Generator 30 kw	10
Humidifier	10
Ice Machine (1,000 & cab)	10
Ice Merchandiser	10
Juice Machine	10
Labeler, Automatic	10
Magazine & Card Racks (10')	10
Merchandiser	
Dough (Refrigerated)	10
Egg (Refrigerated)	10
Wine 8' (Refrigerated)	10
Pallet Trucks (electric, manual & straddle)	10
Paper Baler	10
Pineapple Corer	10
Polisher/Scrubber	10
Safes (5-7 cu. ft.)	10
Scales	10
Scanner Units	6

GROCERY STORE (Cont.)

Item	Age/Life Table
Sealer, Belt Type	10
Shelving	10
Sink, Preparation	10
Telephone / Intercom	6
Terminals (electronic)	6
Time Clocks	10
Trash Receptacle	15
Walk-In Cooler	10
Wet Vacuum	10
Wine Chiller	10

MEAT SHOP, DELI & RESTAURANT

Item	Age/Life Table
BBQ Cooker / Rotisserie	10
Beer dispenser - direct draw (all keg capacities)	10
Blender (commercial food & liquid)	10
Bone Dust Remover	10
Bowl Cutter (cut meats, fruits, veggies, breads)	10
Broilers	10
Buffet Table	10
Bun Toaster - Conveyer	10
Bun Warmer	10
Burger Press - 5 oz. 4"	10
Bus Cart	10
Cabinets (utility / storage)	10
Can Opener	10
Cases (display)	10
Chairs	10
Chair Risers (child's booster seat)	10
Cleaner, Grout Hog (clean tile floors)	10
Coffee Brewer	10
Coffee Urn	10
Combin - Therm Oven - Single	10
Combin - Therm Oven - Double	10
Convention Oven	10
Deep Fryer	10
Dishes	10
Dishwasher	10
Disposal Unit, Meat and Fish	10
Drink Dispenser	10
Espresso Machine	10
Fat Tester	10
Fat Vat	10
Food Processors	10
Freezer	10
Fryer, Pressure	10
Glasses	10
Granita Machine	10
Griddle	10
Grill	10
Grinder (chopper & mixer)	10
Guest Pager Kit	10
Heat Lamps	10
Hot Chocolate Machine	10

MEAT SHOP, DELI & RESTAURANT (Cont.)

Item	Age/Life Table
Hot Dog Broiler / Bun Warmer	10
Hot Dog Grill	10
Hot Plate	10
Hood, Service Deli (4' x 13') w/ Fire Protection	10
Ice Cream Machine	10
Ice Dispenser	10
Ice Machine	10
Ice Merchandiser (Double Door)	10
Ice Tea Brewer	10
Insta-Cut Machine	10
Drink Dispenser	10
Island, Deli '	10
Meat Grinder	10
Meat Slicer	10
Microwave	10
Milk Dispenser	10
Mixer - w/ S/S bowl, beater and wire whip	10
Nacho Cheese Melter/Warmer	10
Nacho Chip Warmer	10
Oriental Wok Stove	10
Oven, Convention	10
Oven, Pizza	10
Oven - Slow Roast / Hold 72" H x 23" W x 33" D	10
Oyster Shucker	10
Packaging Machine (heat seal)	10
Packaging Scale	10
Pan, Chicken Drain	10
Pannini Grill	10
Pasta Cooker, stand-alone	10
Pie Case	10
Pizza Dough Mixer	10
Pizza Dough Sheeter - single pass roller	10
Pizza Station (display)	10
Popcorn Butter Dispenser	10
Popcorn Machine	10
Portion Blending System	10
Pots & Pans	10
Pretzel Display	10
Range	10
Refrigerated Back Bar Cooler - under counter	10
Refrigerated Chef's Salad Top	10

MEAT SHOP, DELI & RESTAURANT (Cont.)

Item	Age/Life Table
Refrigerated Direct Draw Draft Beer Dispenser	10
Refrigerated Glass and Plate Chiller	10
Refrigerated Pizza Preparation Table	10
Refrigerator	10
Revolving Display Case	10
Rice Cooker	10
Rolling Warming Drawers	10
Salad Bar, 5' x 16', refrigerated, self-contained, w/ sneeze guard	10
Sausage Stuffer	10
Saw, Meat	10
Sealer, Belt (meat wrapping system)	10
Shake Mixer	10
Silverware	10
Sinks	10
Slicing Machine	10
Snow Cone Maker	10
Soft Ice Cream Machine	10
Soup Kettles	10
Steam Cooker	10
Steam Tables - Gas, Electric, Portable	10
Steamer (warmer)	10
Straw Dispensers	10
Tables (All)	10
Buffet	10
Pizza Preparation	10
Salad Top/Work Top	10
Serve Deli	10
Meat Cutting	10
Tenderizer	10
Toaster	10
Topping Dispensers	10
Utensils and Miscellaneous	10
Vegetable Cutter	10
Waffle Baker	10
Warmer, Display	10
Weigh Wrap System	10
Wine Cooler	10

MEDICAL

Overall Cost	Age/Life Table
Examining Rooms	10
Laboratory	10
Minor Surgery Room	10
Per Item Cost	
Blood Analyzer (Serometer)	6
Blood Pressure Gauge (table or wall-mounted)	6
Centrifuge	10
Diagnostic Set	10
Drug Cabinet	10
EKG Machine	6
Examining Table	10
Examining Room Cabinets	10
Fluoroscopic X-Ray (small & large clinic)	10
Goose Neck Lamp	10
Instruments	6
Microscope	10
Mini Mass Spectrometer	10
Sterilizer	10
Stools/chairs	10
Suction Pump	10
Surgery Room Cabinets (5')	10
Surgery Room Lights	10
Surgery Table - (major & minor procedure)	10
Table Counter	10
Ultraviolet Exam Light (Woods)	10
Waste Receivers	10
X-Ray Machine	10

MOVIE THEATER EQUIPMENT

Item	Age/Life Table
Amplify speakers ticket booth	10
Computer point of sale station	6
Crowd control pole and rope	10
Digital cinema system (projector, lens, server)	10
Omni max projector (sound extra)	10
Omni-term ticket and concession system	
Small System (1 ticket outlet and 3 concession terminals)	6
Large System (unlimited ticket outlets and concession terminals)	6
Projector with reel transport system (includes lenses, makeup table, platter, transport)	10
Projectors (older system) Note: 2 required per screen	10
Screens (includes frame and installation) per square foot (15'x30')	10
Sound system	
Dolby System	10
THX (add to Dolby)	10
Splicing Machine	10
Concession Equipment	
Cotton candy maker	10
Express multiples - 3 to 5 pump condiments	10
Hot dog merchandiser - countertop unit with bun warmer	10
Ice machine	10
Nacho cheese warmer	10
Nacho chip case	10
Point of sale system	6
Popcorn Machine	10
Pizza cabinet	10
Pretzel bake and serve cabinet	10
Soft drink dispensers - CO_2	10

OFFICE

Item	Age/Life Table
Furniture	
Bookcases	10
Chairs	10
Conference table	10
Credenza	10
Desk - Steel	10
Desk - Wood	10
Drafting Table (with base)	10
File Cabinets	10
Reception Room	
Sofa	10
Settee	10
Love Seat	10
Chair	10
Corner Table	10
Coffee Table	10
Plant Encasement	10
Secretarial Work Station	10
Typewriter Table	10
Work Table - 6'	10
Equipment	
Calculator (all models)	6
Cell phone	6
Digital camera	6
Easel (Dry Erase and Pad)	10
Electronic Labeling System	10
Electronic Whiteboard	10
Fax (primary fax function)	6
Laminator	6
Multifunction fax/copier/printer/scanner (color laser, inkjet)	6
Projector - digital LCD, digital wall display DLP & overhead	6
Printer (all types)	6
Safe	10
Scanner	6
Shredder	10
Typewriter	10

OPTICAL

Overall Cost	Age/Life Table
Examining Rooms	10
Laboratory only	10
Laboratory with Edger	10
Laboratory with Automated Edger	10

Per Item Cost	
Automatic refractor with keratometer	10
Binocular indirect ophthalmoscope	10
Buffer	10
Chair and stand - optimetrics	10
Contact Lens Center (CLC) (table, mirror, sink, and modification unit)	10
Digital imaging system (can retrofit to most existing slit lamps)	10
Digital scanner	10
Direct ophtalmoscope (head only)	10
Handle	10
Edging System	10
Exam chair	10
Frame warmer with beads	10
Fundus Camera	
Non-mydriatic	10
Mydriatic	10
Groover - auto	10
Hand instrument package	6
Lane package - indirect, transformer, and hand instruments	10
Instrument stand	10
Keratometer	10
Lensometer (automated & manual)	10
Pachymeter	10
Perimeter	10
Polisher	10
Procedure chair	10
Projector (includes screen, slides, and mounts)	
Non-automated	10
Automated	10
Mirror Set	10
Pupilometer, digital	10
Radius gauge or scope	10
Refractor (Phoroptor)	10
Refractor (Phoroptor, digital)	10

OPTICAL (Cont.)

Per Item Cost	Age/Life Table
Retinscope	10
Salt pan and frame warmer	10
Screening table	10
Slit Lamp	10
Stool (each)	10
Tinter	10
Tonometer	
Noncontact	10
Applanation	10
Tono-Pen	10
Topographer	10
Transilluminator	10
Trial lens set and frame	10
Ultrasonic cleaner	10
Ultrasound	10
Vision tester	10
Visual acuity system	6

SERVICE GARAGE

Item	Age/Life Table
Air Compressors	10
Air Impact Tools (1/2 " drive)	10
Anti-Freeze Recycler	10
Battery Chargers	10
Battery Testers	10
Bearing Packer	10
Bench Grinder (6")	10
Microfiche Viewer system	10
Brake Bleeder	10
Computer	6
Drill Press	10
Dwell-Tach Gauges (hand held)	10
Electric Drills	10
Electric Welder	10
Engine Analyzer (5 gas)	6
Fire Extinguishers	10
Floor Jacks	10
Gas Welder	10
Gear Oil Dispenser	10
"H" Frame Hydraulic Press (12 ton)	10
General Hand Tools	10
Headlight Aimer	10
Hoist (above-ground, portable) 10,000 lb. capacity	10
Lube Equipment (portable chassis)	10
Mikes and Guages (assorted)	10
Mobile Floor Crane (1 ton)	10
Oil Drain Receiver	10
Parts Washing Tanks	10
Porta-Power Tools (10 ton)	10
Portable Engine Stands	10
Power Broom	10
Spark Plug Cleaner	10
Steel Shelving	10
Timing Lights	6
Tire Dismount Equipment (air-powered)	10
Tool Chests and Carts	10
Transmission Jack	10
Wheel Alignment Equipment, Computerized	10
Wheel Balancers	10
Work Benches	10

VENDING MACHINES

Item	Age/Life Table
Cigarette Dispenser	10
Cold Food - Bill Changer included	10
Flavored Coffee Machine	10
Glass Front Combination	10
Glass Front Snack	10
Hot Drink Machine	10
Ice Cream Machine	10
Junior Snack - countertop model	10
Microwave Ovens	10
Office Coffee Brewers	10
Office Coffee Machines - countertop	10
Water Machines	10

VETERINARY

Overall Cost	Age/Life Table
Examining Rooms	10
Holding Area	10
Laboratory	10
Laundry Room	10
Surgery Rooms	10
Per Item Cost	
Anesthesia Machine	10
Buster ICU	10
Cages	10
Cage Dryer	10
Centrifuge	10
Dental system (main system, polisher, scalers)	10
ECG/EKG machines	10
Electrosurgery units (ESU)	10
Examining Table or Counter (wall mount)	10
Freezer	10
Hand Instruments	6
Heart Monitor	6
Incubator	10
Induction Tank	10
Instruments in Examining Room	6
Instrument Table (stainless steel)	10
Lab Scope	10
Microscope	10
Opthalmoscope (head only)	10
Otoscope (complete)	10
Prep Table (stainless steel)	10
Refrigerator	10
Scale	10
Sterilizer (autoclaves)	10
Surgery Lights	10
Surgery Table	10
Table Top Refrigerator	10
Vet Diagnostic Set - Ophthalmoscope/otoscope (complete)	10
Vet Test (blood chemistry analyzer)	10
Walk-on Platform Scale	10
Washer & Dryer	10
X-Ray Machines (including accessories)	10

VIDEO EQUIPMENT RENTAL

Item	Age/Life Table
BluRay DVD player (incl. 3D)	3
Camcorders - digital	3
Cameras - digital	6
Consoles (incl. systems, accessories and games)	
Game Cube, Nintendo, Playstation, PSP, Xbox	3
DVD player and recorder	3
DVD and BluRay discs	3
Videotapes	50%

EXHIBIT I

DEPRECIATION SCHEDULES
Tax Year 2022

Schedule 1 3 yr life		Schedule 2 6 yr life		Schedule 3 10 yr life	
Short-term rentals, VCR's, video games, software (canned)		Computer equip, typewriters, copiers, calculators, communications, phone systems, fax machines, electronic equip, cell phones, drones, TV's, Billboards (with LED components), Drilling & Well Service		F F & E, vending machines, recreation equip, residential furnishings, motels, restaurants & bars, farm equip, heavy construction contractors equip, signs (other than billboard and electronic), portable buildings	
2021	85%	**2021**	93%	**2021**	96%
2020	56%	**2020**	78%	**2020**	87%
2019	27%	**2019**	64%	**2019**	78%
2018	13%	**2018**	49%	**2018**	69%
		2017	34%	**2017**	61%
		2016	20%	**2016**	52%
		2015	13%	**2015**	43%
				2014	34%
				2013	26%
				2012	17%
				2011	13%

Schedule 4 14 yr life		Schedule 5 20 yr life		Schedule 6 25 yr life		Schedule 7 45 yr life			
Manufacturing equip. of chemical, rubber, metal, stone, glass, steel mills		Billboards (excluding LED components)		Gas & purification plants, pipelines, oil field compressors, storage & holding tanks		Bank vaults			
2021	97%	**2021**	98%	**2021**	98%	**2021**	99%	**1995**	49%
2020	91%	**2020**	93%	**2020**	95%	**2020**	97%	**1994**	47%
2019	84%	**2019**	89%	**2019**	91%	**2019**	95%	**1993**	45%
2018	78%	**2018**	85%	**2018**	88%	**2018**	93%	**1992**	43%
2017	72%	**2017**	80%	**2017**	84%	**2017**	91%	**1991**	41%
2016	66%	**2016**	76%	**2016**	81%	**2016**	89%	**1990**	39%
2015	59%	**2015**	72%	**2015**	77%	**2015**	87%	**1989**	37%
2014	53%	**2014**	67%	**2014**	74%	**2014**	86%	**1988**	35%
2013	47%	**2013**	63%	**2013**	70%	**2013**	84%	**1987**	33%
2012	41%	**2012**	58%	**2012**	67%	**2012**	82%	**1986**	31%
2011	34%	**2011**	54%	**2011**	63%	**2011**	80%	**1985**	29%
2010	28%	**2010**	50%	**2010**	60%	**2010**	78%	**1984**	27%
2009	22%	**2009**	45%	**2009**	56%	**2009**	76%	**1983**	25%
2008	16%	**2008**	41%	**2008**	53%	**2008**	74%	**1982**	23%
2007	13%	**2007**	37%	**2007**	49%	**2007**	72%	**1981**	21%
		2006	32%	**2006**	46%	**2006**	70%	**1980**	20%
		2005	28%	**2005**	42%	**2005**	68%	**1979**	18%
		2004	23%	**2004**	39%	**2004**	66%	**1978**	16%
		2003	19%	**2003**	35%	**2003**	64%	**1977**	14%
		2002	15%	**2002**	32%	**2002**	62%	**1976**	13%
		2001	13%	**2001**	28%	**2001**	60%		
				2000	25%	**2000**	58%		
				1999	21%	**1999**	56%		
				1998	18%	**1998**	54%		
				1997	14%	**1997**	53%		
				1996	13%	**1996**	51%		