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In the Matter of:)
Approval of the 2009-2010)
Personal Property Manual)

NOTICE OF DECISION

Appearances

Terry Rubald, Chief, Division of Assessment Standards, appeared on behalf of the Department of Taxation.

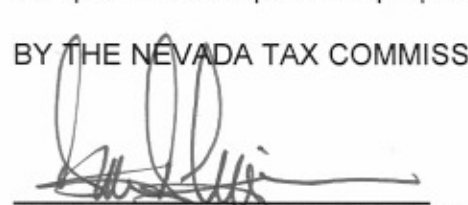
Summary

The matter of the approval of the Personal Property Manual required to be published by the Department of Taxation pursuant to NAC 361.1365 came before the Nevada Tax Commission (Commission) for hearing in Carson City, Nevada, on May 5, 2008 after due notice to Assessors and to the public. The Commission reviewed the 2009-2010 Personal Property Manual and the report of the Department. Pursuant to NAC 361.1365, the Department previously held a public workshop on April 3, 2008, to disclose all proposed modifications to the Manual and to receive information from the public.

DECISION

The Commission, having considered all evidence and testimony pertaining to the matter, hereby adopts the results of the 2009-2010 Personal Property Manual as reported by the Department, pursuant to NAC 361.1365(2). In addition to the authority cited for adoption in the Nevada Administrative Code, the Nevada Tax Commission may direct county assessors in the preparation of the assessment roll pursuant to NRS 361.250 and shall establish the standards for determining the cost of replacement of personal property pursuant to NRS 361.227 (6).

BY THE NEVADA TAX COMMISSION THIS 6th DAY OF MAY, 2008.


Dino DiCianno, Executive Director

cc: County Assessors
Gina Session, Chief Deputy Attorney General

STATE OF NEVADA
DEPARTMENT OF TAXATION
2009-2010
PERSONAL PROPERTY MANUAL



PREPARED BY THE
DIVISION OF ASSESSMENT STANDARDS

MAY 5, 2008

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How to Use This Manual

The first step in valuing personal property is to select the appropriate expected life. First determine whether the property to be valued may be listed as “Special Properties.” The Special Properties section identifies unique types of property meriting special consideration for expected life, including short-life property, information systems, computer-integrated machinery, computerized equipment, high-tech medical diagnostic equipment, and high-tech electronic medical equipment. The Special Properties section also includes a segment on furniture and trade fixtures which may be found across all industries. A segment on mobile homes and billboards is also included.

For all other types of equipment and industries, the Life Expectancy Guidelines Section should be used. The Life Expectancy Guidelines are arranged by N.A.I.C.S. code into major industrial classifications. Each industrial category is assigned an expected life. Certain types of equipment within the industry are identified separately as “Itemized Equipment.” The “Itemized Equipment” Section under each industry group provides a specific life which may be different from the industry as a whole. If the itemized equipment can be identified, the specific life is preferable to the industry classification expected life.

Once the appropriate expected life is selected, turn to the Cost Conversion Index for that life. Identify the age of the property and apply the conversion factor appropriate to the age to the original acquisition cost to determine the taxable value.

A Note on NAICS

Beginning in 1997, the **Standard Industrial Classification** (SIC) was replaced by the **North American Industry Classification System** (NAICS). This six digit code is a major revision that not only provides for newer industries, but also reorganizes the categories on a production/process-oriented basis. This new, uniform, industry-wide classification system has been designed as the index for statistical reporting of all economic activities of the U.S., Canada, and Mexico.

NAICS is not intended to replace any computer identification code currently used by assessors. NAICS is included only as a handy reference for all users of the Personal Property Manual. For example, if an assessor was not sure of the type of property being reported, the taxpayer could provide the NAICS code and the assessor could quickly look up the code and better identify the type of property being reported. An excellent descriptive resource may be found at <http://www.census.gov/epcd/naics02/> for each industry group.

Special Properties

SHORT-LIFE PROPERTY

This category is designed for property that is highly susceptible to breakage, loss, rapid wear and tear, or subject to extreme obsolescence. Examples include:

Linens	Uniforms
Glassware	Pots, Pans, Utensils
Barware	Motion Picture Prints
Silverware	Rental Video Tapes, DVDs, CDs

The recommended life expectancy for this category is three years.

Some patterns, jigs, dies, and molds may also be subject to this category. This exception applies only when there is a high degree of wear that results in the frequent replacement of these components. The appraiser will have to determine from the individual manufacturer the average life of the equipment used in current production before assigning the life expectancy for this category. Examples of short-life molds include an injection mold for plastic parts of a high-tech device or a mold used in heavy production that wears out relatively quickly.

Digital cameras fall into two categories: professional quality and point-and-shoot. In recent years, point-and-shoot digital cameras have become a commodity. They feature 2" to 3" LCD monitors that are easily damaged when stuffed into a pocket or poorly-designed travel case. They are often discarded and replaced with higher pixel-count cameras. This type of camera qualifies for a short-life of 3 years.

INFORMATION SYSTEMS

An information system means computers and peripheral equipment that are used in administering normal business transactions and the maintenance, retrieval, and analysis of business records.

A computer is a programmable, electronically-activated device, capable of accepting information, applying prescribed processes to the information, and supplying the results of these processes with or without human intervention. It usually consists of a central processing unit containing extensive storage, logic, arithmetic, and control capabilities. Excluded from this category are adding machines and electronic calculators.

Peripheral equipment consists of the auxiliary machines which are designed to be placed under the control of a central processing unit. Peripheral equipment may include card readers, card punches, mass storage units, paper tape equipment, keypunches, data-entry devices, teleprinters, terminals, tape drives, disc drives, disc files, disc packs, visual image projector tubes, card sorters, plotters, and collators.

For purposes of estimating life, computers and peripherals are classified into three categories:

Taxable Software	Three-year life
PCs and associated peripherals	Three-year life
Mini-computers, i.e. AS 400s	Three-year life
Mainframe computers	Seven-year life

COMPUTER-INTEGRATED MACHINERY

Computer integrated machinery has the following characteristics:

- 1.) The machinery cannot operate without the computer and the computer cannot perform functions outside the machine.
- 2.) The machinery and computer are sold as a single unit.
- 3.) The components of the system are an integral and structural part of the equipment itself, and it is not economically or operationally practical to replace the system without replacing the entire piece of machinery.
- 4.) The total cost of the machine and computer combined is depreciated as a unit for income tax purposes.
- 5.) The capabilities of the machine cannot be expanded by substituting a more complex computer for the original.
- 6.) Taxable software includes programs, procedures, rules, and any associated documentation pertaining to the operation of a computer system not originally developed, and produced for an individual user and is not otherwise eligible for exemption from property taxes.

Examples of computer-integrated machinery include computer driven mills; computer integrated manufacturing machinery; computer integrated fabrication machinery; computerized machine lathes; and computerized assembly machinery.

The recommended life expectancy for this category is seven years.

COMPUTERIZED EQUIPMENT

This category includes machines that are controlled by computers where the computer is sold as a separate unit from the machine and can perform multiple functions exclusive of the machine. The computer equipment has the same expected life as similar computer equipment and the machinery has an expected life that is assigned to its specific industry.

Examples of computerized equipment include computerized machine lathes or computerized assembly machinery. **The recommended life for this type of equipment should be in two components:**

- (a) that of the free-standing computer system component; and
- (b) that of the equipment component.

The recommended life expectancy for the free-standing computer system is seven years, unless the computer is a generic pc, then use a three year life. The recommended life expectancy of the equipment component is the life assigned to the specific industry.

HIGH-TECH MEDICAL DIAGNOSTIC EQUIPMENT

The equipment in this category has the following characteristics:

- 1.) Used in medical or dental facilities;
- 2.) Subject to a high degree of functional and economic obsolescence due to rapid technological development.

Examples include:

- Cardiac Ultrasonic Scanners
- CAT (Comp Tomography) Scanners
- Diagnostic Ultrasounds
- General Ultrasonic Scanners
- MRI (Magnetic) Scanners
- Nuclear Medicine Cameras
- OB/GYN Ultrasonic Scanners
- PET Scanners (Positron) Emission
- All Portable Units of Same

The recommended life expectancy for this category is five years.

HIGH-TECH ELECTRONIC MEDICAL EQUIPMENT

The equipment in this category has the following characteristics:

- 1.) Used in medical or dental facilities;
- 2.) Subject to functional and economic obsolescence due to technological development.

Examples include:

Patient Monitors of all kinds	Defibs	Medical Laser Units
Anesthesia Monitors	Doppler's	Neurological Monitors
Apnea Monitors	EEG Machine	Oximeters
Blood Pressure Monitors	EKG Machines	Oxygen Analyzers
Chart Recorders	External Pace Makers	Spirometers
	Heart Rate Devices	Systolic Monitors
		Temperature Monitors

The recommended life expectancy for this category is seven years, except cardiac laser units have a recommended life expectancy of 3 years.

FURNITURE AND TRADE FIXTURES

This category includes furniture and trade fixtures that can be found across industries.

<u>Description</u>	<u>Life in Years</u>
Air Conditioners	15
Air Conditioners, Window	7
Cash Registers (electronic)	7
Coin-wrap Equipment	15
Copy and Duplicating Machines	7#
Cabinets and Shelving	15
Check-out Counters	15
Data Processing Equipment (See Also Information Systems)	7
Décor	15
Displays, Cases, and Racks	15
Mailing Machines	7
Office Furniture (Desks, Chairs, and Filing Cabinets)	15
POS – Point-of-Sale Computer Systems	7
Signs (Other than electronic)	15
Signs, Electronic	7
Sound Systems (background and public address)	7

Color and Black-and-White Digital Copiers/Printers with at least 60 pages-per-minute output that interface with a network and are dependent upon a particular version of that network’s Operating System to perform all functions qualify for 5-year Life, if the manufacturer produces documentation to show that leases turn over within five (5) years.

MOBILE OR MANUFACTURED HOMES

This section applies only to those mobile or manufactured homes that are classified as personal property. Pursuant to NRS 361.561, those units identified as a "travel trailer," "utility trailer" and "van conversion," in chapter 482 of NRS and any other vehicle required to be registered with the department of motor vehicles and public safety are subject to the personal property tax unless registered and taxed pursuant to Chapter 371 of NRS. Such unregistered units and vehicles must be taxed in the manner provided in NRS 361.562 to 361.5644, inclusive.

The sticker issued pursuant to NRS 361.5643 must be affixed to a mobile or manufactured home in such a way that the sticker is clearly visible from the street. The window decal is not required for licensed mobile units or on units considered real property and may be issued at the option of the county assessor.

As required by NRS 361.325(3), mobile homes are segregated into two different categories for assessment purposes, based on age. Mobile homes sold on or after July 1, 1982 shall be classified according to those factors which most closely determine their useful lives. In establishing the value of other mobile homes, the commission shall begin with the retail selling price and depreciate it by 5 percent per year, but not below 20 percent of its original amount. The assessment ratio in all cases is 35 percent of the computed taxable values. See NAC 361.130 for additional information on the calculation of value for mobile homes.

Depreciation schedules and cost conversion factors apply to the 2009-2010 secured and unsecured tax rolls. The 2009-2010 Cost Conversion Index for Mobile or Manufactured Homes may be found on page 36 of this Manual.

BILLBOARDS

NRS 361.227 requires that depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years. Additional information on the calculation of billboards may be found in NAC 361.1305.

Depreciation schedules and cost conversion factors apply to the 2009-2010 secured and unsecured tax rolls. The 2009-2010 Cost Conversion Index for Billboards may be found on page 37 of this Manual.

Life Expectancy Guidelines

*NAICS
Industry
Code*

Description

Life in Years

11 Agriculture and Forestry

111 Crop Production 15

Includes machinery and equipment such as tractors, combines, hay balers, forage harvesters, unlicensed farm vehicles including utility trailers, wagons and utensils used to grow crops mainly for food and fiber. The subsection comprises establishments, such as farms, orchards, groves, greenhouses, and nurseries, primarily engaged in growing crops, plants, vines, or trees (including Christmas trees) and their seeds.

Itemized Equipment

Fertilizer Distribution	10
Laser sending and receiving equipment	10
Seed cleaning machinery and equipment	20
Seed cleaning equipment – portable	10

112 Animal Production. 15

Includes machinery and equipment used to raise or fatten animals for the sale of animals or animal products. The subsection comprises establishments, such as ranches, farms, and feedlots primarily engaged in keeping, grazing, breeding, or feeding animals. These animals are kept for the products they produce or for eventual sale.

Itemized Equipment

1125 Animal Aquaculture, including nets and pens	7
11212 Dairy Production	15
1123 Egg Packing equipment	20

113 Forestry and Logging. 15

Includes machinery and equipment used to: (1) cut timber; (2) cut and transport timber; and (3) produce wood chips in the field, including stationary saw mills, skidders, and log loaders.

Itemized Equipment

Chain saws	5
Portable saw mill	7

**NAICS
Industry
Code**

Description

Life in Years

21 Mining

2111 Oil and Gas Extraction. 20

Machinery and equipment used in oil and gas extraction are used to explore for crude petroleum and natural gas; drilling, completing, and equipping wells; operating separators, emulsion breakers, desilting equipment, and field gathering lines for crude petroleum and natural gas; and all other activities in the preparation of oil and gas up to the point of shipment from the producing property. Includes wellheads and Christmas tree configurations; pumping units, triplexes, lift equipment; flowlines and pipelines.

Itemized Equipment

Bolted and fiberglass tanks	15
Drilling rigs	15
Heaters, treaters, knockouts, separators, conditioning equipment	15
LACT units, metering devices, test equipment, manifolds	15
Motors, engines, drive units	10
Secondary recovery (injection pumps, re-pressure equipment)	15
Transformers	30

2122 Metal Ore Mining. 15

Machinery and equipment is used in developing mine sites or mining metallic minerals, ore dressing and beneficiating (i.e., preparing) operations, such as crushing, grinding, washing, drying, sintering, concentrating, and calcining. Beneficiating may be performed at mills operated in conjunction with the mines served or at mills, such as custom mills, operated separately.

Itemized Equipment

Oxygen generation	20
Mobile equipment, heavy use*	7

*Heavy use is defined as in operation for more than one shift per day, seven days a week. Mining mobile equipment eligible for this category includes haul packs, loaders, shovels, dozers, graders, backhoes, drilling trucks, and excavators.

2123 Nonmetallic mineral mining and quarrying. 15

Machinery and equipment is used in developing the mine site, mining or quarrying dimension stone (i.e., rough blocks and/or slabs of stone), or mining and quarrying crushed and broken stone and/or (2) preparation plants primarily engaged in beneficiating stone (e.g., crushing, grinding, washing, screening, pulverizing, and sizing). It includes machinery used to manufacture gypsum products.

**NAICS
Industry
Code**

Description

Life in Years

22 Utilities

2211 Electric Power Generation, Transmission, and Distribution..... 20

Assets are used in generating, transmitting, and/or distributing electric power. Establishments in this industry group may perform one or more of the following activities: (1) operate generation facilities that produce electric energy; (2) operate transmission systems that convey the electricity from the generation facility to the distribution system; and (3) operate distribution systems that convey electric power received from the generation facility or the transmission system to the final consumer.

2212 Natural Gas Distribution. 20

Assets are used in (1) operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

2213 Water, Sewage, and Other Systems 20

This industry comprises establishments primarily engaged in operating water treatment plants and/or operating water supply systems. The water supply system may include pumping stations, aqueducts, and/or distribution mains. The water may be used for drinking, irrigation, or other uses.

221339 Steam and Air-Conditioning Supply 20

Assets are used in providing steam, heated air, or cooled air. The steam distribution may be through mains.

23 Construction

236 Construction of Buildings. 15

237 Heavy and civil engineering construction. 15

238 Specialty Trade construction. 15

Machinery and equipment used primarily in the construction of buildings, major engineering projects such as highways and dams, and specialty trades such as pouring concrete, site preparation, plumbing, painting, and electrical work. Includes fixed load and mobile equipment such as:

- | | |
|-------------------|--------------------------|
| Air compressors | Cement mixers/spreaders |
| Air drills | Crusher/crushing plant |
| Asphalt plants | Crawler cranes/ tractors |
| Asphalt spreaders | Ditchers/diggers |
| Backhoe/loaders | Earthmoving scrapers |
| Carryalls | Excavators |

**NAICS
Industry
Code**

Description

Life in Years

238 Con't. Specialty Trade construction..... 15

Fork lifts	Power shovels
Front end loaders/bucket loaders	Roadrollers/sheepsfoot rollers
Mixmobiles	Sand classifiers and drags
Motor graders/leveling graders	Scarifiers and rollers
Paving equipment	Scrap metal balers
Portable storage bins	Scrubber screens and plant feeders
Portable storage tanks	Welder
Portable shop	Wiring Equipment
Power hoists	

Other Itemized Equipment

Cranes	
Bridge	20
Mobile Telescopic	10
Electric generating equipment	20
Electronic controlled infrared/laser instruments	10
Hand tools (perishable)	7
Mobile equipment, heavy use*	7

*Heavy use is defined as in operation for more than one shift per day, seven days a week

31 Manufacturing

311 Food Manufacturing 15

Machinery and equipment used in this industry transform livestock and agricultural products into products for intermediate or final consumption. The food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers, but establishments primarily engaged in retailing bakery and candy products made on the premises not for immediate consumption are included.

Includes equipment such as walk-in coolers, freezers and other refrigeration, grain tanks, bottling and canning equipment in the following industries:

- 3111 Animal food manufacturing
- 3112 Grain and oilseed milling
- 3113 Sugar and confectionery product manufacturing
- 3114 Fruit and vegetable preserving and specialty food manufacturing
 - 31141 Frozen food manufacturing
 - 31142 Fruit and vegetable canning
- 3115 Dairy product manufacturing
- 3116 Animal slaughtering and processing
- 3117 Seafood product preparation and packaging

**NAICS
Industry
Code**

Description

Life in Years

311 Con't Food Manufacturing 15

- 3118 Bakeries and tortilla manufacturing
- 311811 Retail bakeries
- 311812 Commercial bakeries
- 3119 Other food manufacturing, such as honey processing

Itemized Equipment

- Cereal manufacturing 20
- Grain elevators, non-farm 20
- Mechanical portion of packing and sorting line equipment 30
- Electronic portion of line equipment* 10

*If electronic component's original cost cannot be separated from other line assets, use 20 years.

312 Beverage and Tobacco Product Manufacturing. 15

Machinery and equipment are used to manufacture beverages and tobacco products. Ice manufacturing, while not a beverage, is included with nonalcoholic beverage manufacturing because it uses the same production process as water purification. Manufacturing processes include:

- 31211 Soft drink manufacturing
- 31212 Breweries
- 31213 Wineries
- 31214 Distilleries

Itemized Equipment

- Cold Storage and Ice-making equipment 20

313 Textile Mills. 15

The main processes in this industry include preparation and spinning of fiber, knitting or weaving of fabric, and the finishing of the textile.

314 Textile Product Mills 15

With a few exceptions, processes used in this industry are generally cut and sew (i.e., purchasing fabric and cutting and sewing to make non-apparel textile products, such as sheets and towels).

315 Apparel Manufacturing 15

The Apparel Manufacturing industry includes a diverse range of establishments manufacturing full lines of ready-to-wear apparel and custom apparel: apparel contractors, performing cutting or sewing operations on materials owned by others; jobbers performing entrepreneurial functions involved in apparel manufacture; and tailors, manufacturing custom garments for individual clients.

**NAICS
Industry
Code**

Description

Life in Years

316 Leather and Allied Product Manufacturing 15

Machinery and equipment is used to transform hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials, including products (except apparel) made from "leather substitutes," such as rubber, plastics, or textiles. It includes dyeing or dressing furs.

321 Wood Product Manufacturing..... 15

The production processes of the Wood Product Manufacturing sub sector include sawing, planing, shaping, laminating, and assembling of wood products starting from logs that are cut into bolts, or lumber that then may be further cut, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers.

322 Paper Manufacturing..... 15

3221 Pulp, paper and paperboards mills..... 15

The manufacturing of pulp involves separating the cellulose fibers from other impurities in wood or used paper. The manufacturing of paper involves matting these fibers into a sheet.

3222 Converted Paper Product Manufacturing..... 15

Paperboard container manufacturing uses corrugating, cutting, and shaping machinery to form paperboard into containers. Paper bag and coated and treated paper manufacturing establishments cut and coat paper and foil. Stationery product manufacturing establishments make a variety of paper products used for writing, filing, and similar applications. Other converted paper product manufacturing includes, in particular, the conversion of sanitary paper stock into such things as tissue paper and disposable diapers.

323 Printing and related support activities..... 15

Machinery and equipment, including presses, used to transfer an image from a plate, screen, film, or computer file to some medium, such as paper, plastics, metal, textile articles, or wood. The most prominent of these methods is to transfer the image from a plate or screen to the medium (lithographic, gravure, screen, and flexographic printing).

When publishing and printing are done in the same establishment, the establishment is classified under Industry Code 51, Information.

Itemized Equipment

Digital or non-impact printing equipment [#] (Uses a computer file to directly "drive" the printing mechanism to create the image)	7
Blue Print Machines	15
Blue Print Machines – small table model	7

[#] Color and Black-and-White Digital Copiers/Printers with at least 60 pages-per-minute output that interface with a network and are dependent upon a particular version of that network's Operating System to perform all functions qualify for 5-year Life, if the manufacturer produces documentation to show that leases turn over within five (5) years.

**NAICS
Industry
Code**

Description

Life in Years

324 Petroleum and Coal Products Manufacturing. 20

Machinery and equipment is used to transform crude petroleum and coal into usable products. The dominant process is petroleum refining that involves the separation of crude petroleum into component products through such techniques as cracking and distillation. Products such as asphalt coatings and petroleum lubricating oils are made.

325 Chemical Manufacturing. 15

3251 Basic Chemical Manufacturing. 15

Machinery and equipment used in both basic chemical processes, such as thermal cracking and distillation, and in petrochemical processes, such as (1) manufacturing acyclic (i.e., aliphatic) hydrocarbons such as ethylene, propylene, and butylenes made from refined petroleum or liquid hydrocarbon and/or (2) manufacturing cyclic aromatic hydrocarbons such as benzene, toluene, styrene, xylene, ethyl benzene, and cumene made from refined petroleum or liquid hydrocarbons.

3254 Pharmaceutical and Medicine Manufacturing. 15

Machinery and equipment is used in one or more of the following: (1) manufacturing biological and medicinal products; (2) processing (i.e., grading, grinding, and milling) botanical drugs and herbs; (3) isolating active medicinal principals from botanical drugs and herbs; and (4) manufacturing pharmaceutical products intended for internal and external consumption in such forms as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions.

3255 Paint, Coating, and Adhesive Manufacturing 15

Machinery and equipment is used to (1) mix pigments, solvents, and binders into paints and other coatings, such as stains, varnishes, lacquers, enamels, shellacs, and water repellent coatings for concrete and masonry, and/or (2) manufacture allied paint products, such as putties, paint and varnish removers, paint brush cleaners, and frit.

326 Plastics and Rubber Products Manufacturing 15

3261 Plastics Product Manufacturing. 15

Machinery and equipment is used in processing new or spent (i.e., recycled) plastics resins into intermediate or final products, using such processes as compression molding; extrusion molding; injection molding; blow molding; and casting.

Itemized Equipment

Special tools 7

**NAICS
Industry
Code**

Description

Life in Years

3262 Rubber Product Manufacturing..... 15

This industry group comprises establishments primarily engaged in processing natural, and synthetic or reclaimed rubber materials into intermediate or final products using processes such as vulcanizing, cementing, molding, extruding, and lathe-cutting.

Itemized Equipment

Special tools 7

327 Nonmetallic Mineral Product Manufacturing 20

Machinery and equipment is used to transform mined or quarried nonmetallic minerals, such as sand, gravel, stone, clay, and refractory materials, into products for intermediate or final consumption. Processes used include grinding, mixing, cutting, shaping, and honing. Heat often is used in the process and chemicals are frequently mixed to change the composition, purity, and chemical properties for the intended product. For example, glass is produced by heating silica sand to the melting point (sometimes combined with cullet or recycled glass) and then drawn, floated, or blow molded to the desired shape or thickness. Refractory materials are heated and then formed into bricks or other shapes for use in industrial applications.

3271 Clay Product and Refractory Manufacturing..... 15

Machinery and equipment is used in shaping, molding, glazing, and firing pottery, ceramics, and plumbing fixtures made entirely or partly of clay or other ceramic materials.

3272 Glass and Glass Product Manufacturing..... 15

Machinery and equipment is used in manufacturing glass and/or glass products. Establishments in this industry may manufacture glass and/or glass products by melting silica sand or cullet, or purchasing glass.

Itemized Equipment

Special tools 5

3273 Cement and Concrete Product Manufacturing..... 20

Machinery and equipment is used in manufacturing Portland, natural, masonry, pozzalanic, and other hydraulic cements. Cement manufacturing establishments may calcine earths or mine, quarry, manufacture, or purchase lime.

Itemized Equipment

Production equipment 20
Quarry equipment 15

**NAICS
Industry
Code**

Description

Life in Years

Portable ready-mix plants 15

3274 Lime & Gypsum Product Manufacturing. 20

Machinery and equipment is used in manufacturing lime from calcitic limestone, dolomitic limestone, or other calcareous materials, such as coral, chalk, and shells. Lime manufacturing establishments may mine, quarry, collect, or purchase the sources of calcium carbonate.

3279 Abrasive Product Manufacturing. 20

Machinery and equipment is used in manufacturing abrasive grinding wheels of natural or synthetic materials, abrasive-coated products, and other abrasive products.

327991 Cut Stone and Stone Product Manufacturing. 15

Machinery and equipment is used in cutting, shaping, and finishing granite, marble, limestone, slate, and other stone for building and miscellaneous uses. Stone product manufacturing establishments may mine, quarry, or purchase stone.

331 Primary Metal Manufacturing. 20

Machinery and equipment is used to smelt and/or refine ferrous and nonferrous metals from ore, pig or scrap, using electrometallurgical and other process metallurgical techniques. Metal alloys and super alloys are also manufactured by introducing other chemical elements to pure metals. The output of smelting and refining, usually in ingot form, is used in rolling, drawing, and extruding operations to make sheet, strip, bar, rod, or wire, and in molten form to make castings and other basic metal products.

Includes:

3311 Iron and Steel Mills and Ferroalloy Manufacturing

Itemized Equipment

Special Tools 7

332 Fabricated Metal Product Manufacturing. 15

Machinery and equipment is used to transform metal into intermediate or end products, other than machinery, computers and electronics, and metal furniture or treating metals and metal formed products fabricated elsewhere. Important fabricated metal processes are forging, stamping, bending, forming, and machining, used to shape individual pieces of metal; and other processes, such as welding and assembling, used to join separate parts together.

Itemized Equipment

Special Tools 5

**NAICS
Industry
Code**

Description

Life in Years

333 Machinery Manufacturing 15

Machinery and equipment is used to create end products that apply mechanical force, for example, the application of gears and levers, to perform work. Some important processes for the manufacture of machinery are forging, stamping, bending, forming, and machining that are used to shape individual pieces of metal. Processes, such as welding and assembling are used to join separate parts together. Although these processes are similar to those used in metal fabricating establishments, machinery manufacturing is different because it typically employs multiple metal forming processes in manufacturing the various parts of the machine.

333314 Optical Instrument and Lens Manufacturing 15

Machinery and equipment is used in: (1) manufacturing optical instruments and lens, such as binoculars, microscopes (except electron, proton), telescopes, prisms, and lenses (except ophthalmic); (2) coating or polishing lenses (except ophthalmic); and (3) mounting lenses (except ophthalmic).

334 Computer and Electronic Product Manufacturing 7

Machinery and equipment is used in the manufacture of computers, computer peripherals, communications equipment, and similar electronic products and components. The design and use of integrated circuits and the application of highly specialized miniaturization technologies are common elements in the production technologies of the computer and electronic industry.

3341 Computer and Peripheral Equipment Manufacturing 7

Machinery and equipment is used in manufacturing and/or assembling electronic computers, such as mainframes, personal computers, workstations, laptops, and computer servers; and computer peripheral equipment, such as storage devices, printers, monitors, input/output devices and terminals.

3342 Communications Equipment Manufacturing 7

Machinery and equipment is used in manufacturing wire telephone and data communications equipment. These products may be standalone or board-level components of a larger system. Examples of products made by these establishments are central office switching equipment, cordless telephones (except cellular), PBX equipment, telephones, telephone answering machines, LAN modems, multi-user modems, and other data communications equipment, such as bridges, routers, and gateways.

3343 Audio and Video Equipment Manufacturing 10

Machinery and equipment is used in manufacturing electronic audio and video equipment for home entertainment, motor vehicle, public address and musical instrument amplifications. Examples of products made include video cassette recorders, televisions, stereo equipment, speaker systems, household-type video cameras, jukeboxes, and amplifiers for musical instruments and public address systems.

**NAICS
Industry
Code**

Description

Life in Years

3344 Semiconductor and Other Electronic Components. 5

Machinery and equipment is used in manufacturing semiconductors and other components for electronic applications. Examples of products made by these establishments are capacitors, resistors, microprocessors, bare and loaded printed circuit boards, electron tubes, electronic connectors, and computer modems.

Includes; clean room equipment, crystal growing equipment, deionized water systems, encapsulation equipment, photo mask and wafer manufacturing equipment, semiconductor chemical and gas systems, semiconductor electrical systems, and semiconductor test equipment.

3345 Navigation, Measuring, Medical, Control Instrument Manufacturing. . . .7

Machinery and equipment is used in manufacturing navigational, measuring, electro medical, and control instruments. Examples of products made by these establishments are aeronautical instruments, appliance regulators and controls (except switches), laboratory analytical instruments, navigation and guidance systems, and physical properties testing equipment.

335 Electrical Equipment, Appliance, and Component Manufacturing.... 15

Machinery and equipment is used to manufacture products that generate, distribute and use electrical power, such as electric lamp bulbs, lighting fixtures, small and major electrical appliances, electric motors, generators, transformers, switchgear apparatus, devices for storing electrical power (e.g., batteries), for transmitting electricity (e.g., insulated wire), and wiring devices (e.g., electrical outlets, fuse boxes, and light switches).

336 Transportation Equipment Manufacturing 15

Machinery and equipment is used in production processes similar to those of other machinery manufacturing establishments - bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products.

The section includes:

- 3361 Motor Vehicle Manufacturing
- 3362 Motor Vehicle Body & Trailer Manufacturing
- 3363 Motor Vehicle Parts Manufacturing
- 3365 Railroad Rolling Stock Manufacturing

3364 Aerospace Product and Parts Manufacturing. 15

Machinery and equipment is used in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (3) developing and making prototypes of aerospace products; (4) aircraft conversion (i.e., major modifications to systems); and (5) complete aircraft or propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).

**NAICS
Industry
Code**

Description

Life in Years

3364 Con't Aerospace Product and Parts Manufacturing. 15

This section includes:

336412 Aircraft Engine and Engine Parts Manufacturing

337 Furniture and Related Product Manufacturing 10

Machinery and equipment is used to make furniture and related articles, such as mattresses, window blinds, cabinets, and fixtures. The processes used in the manufacture of furniture include the cutting, bending, molding, laminating, and assembly of such materials as wood, metal, glass, plastics, and rattan.

339 Miscellaneous Manufacturing. 15

Machinery and equipment is used in the manufacture of products as diverse as medical equipment and supplies, jewelry, sporting goods, toys, and office supplies.

33991 Jewelry and Silverware Manufacturing. 15

Machinery and equipment is used in: (1) manufacturing, engraving, chasing, or etching jewelry; (2) manufacturing metal personal goods (i.e., small articles carried on or about the person, such as compacts or cigarette cases); (3) manufacturing, engraving, chasing, or etching precious metal solid, precious metal clad, or pewter cutlery and flatware; (4) manufacturing, engraving, chasing, or etching personal metal goods (i.e., small articles carried on or about the person, such as compacts or cigarette cases); (5) stamping coins; (6) manufacturing unassembled jewelry parts and stock shop products, such as sheet, wire, and tubing; (7) cutting, slabbing, tumbling, carving, engraving, polishing, or faceting precious or semiprecious stones and gems; (8) re-cutting, re-polishing, and setting gem stones; and (9) drilling, sawing, and peeling cultured and costume pearls.

42 Wholesale Trade

421 Wholesale Trade Fixtures and Equipment. 15

Fixtures and equipment are used in establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office.

See also separate listings for specific types of equipment.

44 Retail Trade. 15

Includes the fixtures and equipment for the following:

441 Motor Vehicle and Parts Dealers

**NAICS
Industry
Code**

Description

Life in Years

442 Furniture and Home Furnishing Stores

44 Con't Retail Trade..... 15

- 443 Electronics and Appliance Stores
- 444 Building Material and Garden Equipment and Supply Stores
- 445 Food and Beverage Stores (including Convenience Stores)
- 446 Health and Personal Care Stores
- 447 Gasoline Stations
- 448 Clothing and Clothing Accessories Stores
- 451 Sporting Goods, Hobby, Book, and Music Stores
- 452 General Merchandise Stores
- 453 Miscellaneous Store Retailers, including
 - 4531 Florists
- 454 Non-store Retailers

See also separate listings for specific types of equipment.

48 Transportation and Warehousing

481 Air Transportation..... 20

Itemized Equipment

- Kit built Aircraft 15
- Gliders 15
- Hot Air Balloons 15
- Experimental Aircraft 15

482 Rail Transportation..... 20

482112 Short Line Railroads

Itemized Equipment

- Railroad Rolling Stock 20

483 Water Transportation..... 20

Equipment is used in providing inland water transportation of passengers and/or cargo on lakes, rivers, or intracoastal waterways.

484 Truck Transportation..... 10

Itemized Equipment

- Light Trucks 7

**NAICS
Industry
Code**

Description

Life in Years

General freight Trucks 10
Tractor-trailers 10

485 Transit and Ground Passenger Transportation..... 10

Equipment used in Transit and Ground Passenger Transportation include a variety of passenger transportation activities, such as urban transit systems; chartered bus, school bus, and interurban bus transportation; and taxis.

Itemized Equipment

Buses 15
Taxis 7
Casino vehicle give-away 10

492 Couriers and Messengers. 15

Industries in the Couriers and Messengers subsector provide intercity and/or local delivery of parcels. These articles can be described as those that may be handled by one person without using special equipment. This allows the collection, pick-up, and delivery operations to be done with limited labor costs and minimal equipment. Sorting and transportation activities, where necessary, are generally mechanized. The restriction to small parcels partly distinguishes these establishments from those in the transportation industries. The complete network of courier services establishments also distinguishes these transportation services from local messenger and delivery establishments in this subsector. This includes the establishments that perform intercity transportation as well as establishments that, under contract to them, perform local pick-up and delivery. Messengers, which usually deliver within a metropolitan or single urban area, may use bicycle, foot, small truck, or van.

493 Warehousing and Storage. 15

Industries in the Warehousing and Storage subsector are primarily engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods, and other warehouse products. These establishments provide facilities to store goods. They do not sell the goods they handle. These establishments take responsibility for storing the goods and keeping them secure. They may also provide a range of services, often referred to as logistics services, related to the distribution of goods. Logistics services can include labeling, breaking bulk, inventory control and management, light assembly, order entry and fulfillment, packaging, pick and pack, price marking and ticketing, and transportation arrangement. However, establishments in this industry group always provide warehousing or storage services in addition to any logistic services. Furthermore, the warehousing or storage of goods must be more than incidental to the performance of services, such as price marking. Specific assets include lifts, pallets, crates, lugs, and bins. Bonded warehousing and storage services and warehouses located in free trade zones are included in the industries of this sub sector.

See also separate listings for specific types of equipment.

**NAICS
Industry
Code**

Description

Life in Years

51 Information

511 Publishing Industries. 15

Machinery and equipment are used in the publishing of newspapers, magazines, other periodicals, and books, as well as directory and mailing list and software publishing.

512 Motion Picture Production & Sound Recording 7

Machinery and equipment is used in the production and/or distribution of motion pictures, videos, television programs, or commercials; in the exhibition of motion pictures; or in the provision of postproduction and related services. Sound recording machinery and equipment is used in producing and distributing musical recordings, in publishing music, or in providing sound recording and related services.

512131 Motion Picture Theaters 15

Includes projection equipment, furniture and fixtures

515 Broadcasting and Telecommunications. See Categories

51511 Radio Broadcasting. 10

Machinery and equipment is used in broadcasting audio signals. These establishments operate radio broadcasting studios and facilities for the transmission of aural programming by radio to the public, to affiliates, or to subscribers. **In recognition of the FCC mandated change from analog to digital broadcasting equipment in radio, television, and cable industries, all analog equipment MAY be valued using a seven-year life. All other equipment will remain at the life indicated. The assessor will still be responsible for measuring obsolescence if any.**

Itemized Equipment

Radio Production Equipment 7

Service and Repair Equipment 10

Transmitting Towers (*If Personal Property*) 30

If Real Property - See Marshall & Swift Commercial sect 67, page 6

51512 Television Broadcasting. 10

This industry comprises establishments primarily engaged in broadcasting images together with sound. These establishments operate television broadcasting studios and facilities for the programming and transmission of programs to the public. **In recognition of the FCC mandated change from analog to digital broadcasting equipment in radio, television, and cable industries, all analog equipment MAY be valued using a seven-year life. All other equipment will remain at the life indicated. The assessor will still be responsible for measuring obsolescence if any.**

**NAICS
Industry
Code**

Description

Life in Years

Itemized Equipment

Television Production Equipment	7
Service and Repair Equipment	10
Transmitting Towers (If Personal Property)	30
<i>If Real Property - See Marshall & Swift Commercial sect 67, page 6</i>	

517 Telecommunications. See itemized equipment

Wired telecommunications assets are used in (1) operating and maintaining switching and transmission facilities to provide point-to-point communications via landlines, microwave, or a combination of landlines and satellite linkups or (2) furnishing telegraph and other non-vocal communications using their own facilities. Wireless telecommunications assets are used in operating and maintaining switching and transmission facilities that provide omni-directional communications via airwaves, such as cellular telephone or paging services.

Itemized Equipment

Central Office Equipment, except computer-based switching equipment	15
Computer-based switching equipment	5
Distribution Plant	30
Fiber optic cable	15
Paging Systems	5
Microwave Systems, except towers	10
Station Equipment	10
Telephone equipment, including cellular phones, telex, & facsimile and Two Way Radio	5
Cellular Towers (If Personal Property)	30
<i>If Real Property See Marshall & Swift Commercial sect 67, page 6</i>	

517510 Cable and Other Program Distribution. See itemized equipment

Machinery and equipment used in distribution systems for broadcast programming. Headend assets are defined as the electronic control center -- generally located at the antenna site of a CATV system -- usually including antennas, preamplifiers, frequency converters, demodulators, modulators and other related equipment which amplify, filter and convert incoming broadcast TV signals to cable system channels. Microwave systems include assets such as antennas, transmitting and receiving equipment, and broad band microwave assets. Program origination equipment includes assets such as cameras, film chains, video tape recorders, lighting, and remote location equipment excluding vehicles. Service and test assets include oscilloscopes, field strength meters, spectrum analyzers, and cable testing equipment. Subscriber connection and distribution systems include assets such as trunk and feeder cable, connecting hardware, amplifiers, power equipment, passive devices, directional taps, pedestals, pressure taps, drop cables, matching transformers, multiple set connector equipment, and converters. **In recognition of the FCC mandated change from analog to digital broadcasting equipment in radio, television, and cable industries all analog equipment MAY be valued using a seven-**

**NAICS
Industry
Code**

Description

Life in Years

year life. All other equipment will remain at the life indicated. The assessor will still be responsible for measuring obsolescence if any.

517510 Con't Cable and Other Program Distribution. See itemized equipment

Itemized Equipment

Fiber Optic Cable	15
Headend Equipment, except towers	10
Microwave Systems, except towers	10
Program Origination Equipment	10
Satellite Dish Relay; Earth station equipment	10
Box converters having specialized computer components	3

Service and Test Equipment	10
Subscriber Connection and Distribution Systems	10
Transmitting Towers (If Personal Property)	30

If Real Property See Marshall & Swift Commercial sect 67, page 6

518 Internet Service Providers, Web Search Portals, and Data Processing Services

– See Special Properties

Assets are used by Internet Service Providers, Web Search Portals, and Data Processing Services to provide: (1) access to the Internet; (2) search facilities for the Internet; and (3) data processing, hosting, and related services.

519 Other Information Services. 15

Assets are used in supplying information, storing information, providing access to information, and searching and retrieving information. The main components of this group are news syndicates, libraries, and archives. It includes law and medical libraries.

53 Real Estate, Rental, and Leasing

532 Rental and Leasing Services 15

Assets include a wide array of tangible goods, such as automobiles, computers, consumer goods, and industrial machinery and equipment, to customers in return for a periodic rental or lease payment.

Itemized Equipment

Formal wear and costume rental	5
Furniture Rental & Leasing	7
Heavy equipment	See Construction (Code 23)
Lawn and Garden equipment	7
Linens and Uniforms	3
Musical Instrument rentals	7
Rent-to-Own Merchandise	7
Ski Equipment Rentals	7

**NAICS
Industry
Code**

Description

Life in Years

Video Tapes

See Special Properties

See also separate listings for specific types of equipment.

54 Professional, Scientific, and Technical Services

See itemized equipment

Itemized Equipment

Laboratory equipment, except electronic & computerized	15
Laboratory equipment, electronic and computerized	7
Medical and law libraries (See also other information services)	15
Photography	15
Professional and scientific equipment (See also NAICS Code 3345)	7
Professional libraries	15
Surveying equipment	15

5616 Investigation and Security Services. 15

Assets include burglar and fire alarms and locking devices, along with equipment necessary for installation, repair, or monitoring services or (2) remote monitoring of electronic security alarm systems.

Itemized Equipment

Closed Circuit TV – Camera System	7
Locksmith equipment, including:	
Mechanical and electronic locking devices	20
Safes and security vaults	20

5617 Services to Buildings and Dwellings. 15

Includes the fixtures and equipment for the following:

- 56171 Exterminating and Pest Control Services
- 56172 Janitorial Services
- 56173 Landscaping Services
- 56174 Carpet and Upholstery Cleaning Services

Itemized Equipment

Carpet Cleaning	15
Lawn mowing Equipment	7

562 Waste Management and Remediation Services. 10

Assets are used in the collection, treatment, and disposal of waste materials. This includes establishments engaged in local hauling of waste materials; operating materials recovery

**NAICS
Industry
Code**

Description

Life in Years

facilities (i.e., those that sort recyclable materials from the trash stream); providing remediation services (i.e., those that provide for the cleanup of contaminated buildings, mine sites, soil, or ground water); and providing septic pumping and other miscellaneous waste management services.

Itemized Equipment

Garbage Dumpsters	10
Portable toilets	10

62 Health Care and Social Assistance

621 Ambulatory Health Care Services 15

Health practitioners in this sub sector provide outpatient services, with the facilities and equipment not usually being the most significant part of the production process.

Includes the fixtures and equipment for the following:

6211 Offices of Physicians

6212 Offices of Dentists

6213 Offices of Other Health Practitioners, including Chiropractors, Optometrists, Mental Health Practitioners, and Physical, Occupational, and Speech Therapists

Medical and dental instruments not otherwise noted in Special Properties, include:

Exam tables and chairs	Dental X-ray Units
Microscopes	Fluorographic X-ray Units
Sterilizers	Mammographic X-ray Units
Mesoptometers	Portable X-ray Units
Lensometer	Radiographic X-ray Units
Angiographic X-ray units	Special Procedure X-ray Units
Chest X-ray Units	All Portable Units of Same

622 Hospitals 15

Assets are used to provide inpatient health services, particularly specialized facilities and equipment that form a significant and integral part of the production process. See list above for examples of equipment.

See also Special Properties for Medical Diagnostic and Medical Lab.

6244 Child Day Care Facilities. 10

Assets are used in providing day care of infants or children.

**NAICS
Industry
Code**

Description

Life in Years

71	Arts, Entertainment, and Recreation	
711	Performing Arts, Spectator Sports, and Related	10

Includes; projection equipment, furniture and fixtures.

Itemized Equipment

Sound Systems	7
711212 Car racing – race cars	3
Seating, stages, hydraulics, fountains	15
Support operations, including ticket booths, snack bars, offices	15*
Water tanks	20*

***May be considered to be real property fixtures. The cost may be established from Marshall/Swift.**

713	Amusement, Gambling and Recreation Industries.	15
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Assets are used to (1) operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or (2) provide other amusement and recreation services,

such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment.

Itemized Equipment

Amusement Park	15
Bowling Alley Pinsetters and Other Equipment	15
Bowling Electronic Scoring Machines	7
Gaming Equipment: electronic, slots, or computers	7
Gaming Equipment: Mechanical slots	15
Gaming Equipment: Other	15
Golf Carts, electric	7
Golf Course Machinery & Equipment, except lawn mowing equipment	15
Golf Course: Lawn Mowing Equipment	7
Juke Box	15
Ski Area Equipment: Snow Cats and Packers	7
Ski Area Equipment: Tows and Lifts	30
Ski Lift Towers	30
Ski Rentals	7
Video and Flipper Games	7

**NAICS
Industry
Code**

Description

Life in Years

72 Accommodation and Food Services

721 Accommodation. 15

Assets are used in: (1) traveler accommodation, (2) recreational accommodation, and (3) rooming and boarding houses.

Itemized Equipment

Apartment Furnishings	15
Hotel Furnishings	15
Outdoor Patio Furnishings	7
Fire and Security Equipment	15
Health Spa Equipment: Manual	15
Health Spa Equipment: Electronic	7
Heavy use Washers	7
Linens, glassware, silverware, and uniforms (not rented)	3
Televisions	5
Telephone Systems (See also NAICS Code 517)	5

722 Food Services and Drinking Places. 15

The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

Itemized Equipment

Bar	15
Coffee Brewing Equipment	15
Walk-in coolers (See Also NAICS 311)	15
Linens, glassware, silverware, and uniforms (not rented)	3
Televisions	5
Vending Machines, Microwave Ovens	15

81 Other Services. 15

Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

811 Repair and Maintenance 15

Assets are used to restore machinery, equipment, and other products to working order. These establishments also typically provide general or routine maintenance (i.e., servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs.

**NAICS
Industry
Code**

Description

Life in Years

Includes the fixtures and equipment for the following:

- 8111 Automobile Repair and Maintenance
 - 811192 Car Washes
- 8112 Electronic & Precision Equipment
- 8113 Commercial Equipment Repair and Maintenance
- 8114 Personal and Household Goods Repair and Maintenance
 - 81143 Footwear and Leather Goods Repair

Itemized Equipment

- Auto Repair Diagnostic Equipment (Electronic) 7
- Small Tools (See Hand Tools, NAICS 328) 7
- Welding Equipment 15

812 Personal and Laundry Services. 15

Includes the fixtures and equipment for the following:

- 8121 Personal Care Services
 - 81211 Hair, nail and skin care services
 - 81219 Other, including Diet and weight reducing – fitness
- 8122 Death Care Services
 - 81221 Funeral Homes
 - 81222 Cemeteries and Crematories
- 8123 Dry cleaning and Laundry Services
 - 81231 Coin-operated Laundries and Drycleaners
 - 81232 Dry cleaning and Laundry, except coin-operated
- 8129 Other Personal Services
 - 81291 Pet Care (except Veterinary)
 - 81292 Photo-finishing

Itemized Equipment

- Coin Laundries 15
- Heavy Use Washers 7
- Commercial Dry Cleaning Equipment 15

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

THREE YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	67.0	33.0	0.3300
2007	2	1.01	89.0	11.0	0.1111
2006	3	1.06	95.0	5.0	0.0530
Residual		1.06	95.0	5.0	0.0530

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

FIVE YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	40.0	60.0	0.6000
2007	2	1.01	64.0	36.0	0.3636
2006	3	1.06	78.0	22.0	0.2332
2005	4	1.08	87.0	13.0	0.1404
2004	5	1.13	95.0	5.0	0.0565
Residual		1.13	95.0	5.0	0.0565

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

SEVEN YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	29.0	71.0	0.7100
2007	2	1.01	49.0	51.0	0.5151
2006	3	1.06	64.0	36.0	0.3816
2005	4	1.08	74.0	26.0	0.2808
2004	5	1.13	81.0	19.0	0.2147
2003	6	1.16	88.0	12.0	0.1392
2002	7	1.17	95.0	5.0	0.0585
Residual		1.17	95.0	5.0	0.0585

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

TEN YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	20.0	80.0	0.8000
2007	2	1.01	36.0	64.0	0.6464
2006	3	1.06	49.0	51.0	0.5406
2005	4	1.08	59.0	41.0	0.4428
2004	5	1.13	67.0	33.0	0.3729
2003	6	1.16	74.0	26.0	0.3016
2002	7	1.17	79.0	21.0	0.2457
2001	8	1.18	84.0	16.0	0.1888
2000	9	1.21	90.0	10.0	0.1210
1999	10	1.23	95.0	5.0	0.0615
Residual		1.23	95.0	5.0	0.0615

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

15 YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	13.0	87.0	0.8700
2007	2	1.01	25.0	75.0	0.7575
2006	3	1.06	35.0	65.0	0.6890
2005	4	1.08	44.0	56.0	0.6048
2004	5	1.13	51.0	49.0	0.5537
2003	6	1.16	58.0	42.0	0.4872
2002	7	1.17	63.0	37.0	0.4329
2001	8	1.18	68.0	32.0	0.3776
2000	9	1.21	72.0	28.0	0.3388
1999	10	1.23	76.0	24.0	0.2952
1998	11	1.24	80.0	20.0	0.2480
1997	12	1.25	84.0	16.0	0.2000
1996	13	1.27	87.0	13.0	0.1651
1995	14	1.29	91.0	9.0	0.1161
1994	15	1.33	95.0	5.0	0.0665
Residual		1.33	95.0	5.0	0.0665

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

20 YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	10.0	90.0	0.9000
2007	2	1.01	19.0	81.0	0.8181
2006	3	1.06	27.0	73.0	0.7738
2005	4	1.08	34.0	66.0	0.7128
2004	5	1.13	41.0	59.0	0.6667
2003	6	1.16	47.0	53.0	0.6148
2002	7	1.17	52.0	48.0	0.5616
2001	8	1.18	57.0	43.0	0.5074
2000	9	1.21	61.0	39.0	0.4719
1999	10	1.23	65.0	35.0	0.4305
1998	11	1.24	69.0	31.0	0.3844
1997	12	1.25	72.0	28.0	0.3500
1996	13	1.27	75.0	25.0	0.3175
1995	14	1.29	78.0	22.0	0.2838
1994	15	1.33	80.0	20.0	0.2660
1993	16	1.36	83.0	17.0	0.2312
1992	17	1.39	86.0	14.0	0.1946
1991	18	1.42	89.0	11.0	0.1562
1990	19	1.48	92.0	8.0	0.1184
1989	20	1.53	95.0	5.0	0.0765
Residual		1.53	95.0	5.0	0.0765

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

30 YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	7.0	93.0	0.9300
2007	2	1.01	13.0	87.0	0.8787
2006	3	1.06	19.0	81.0	0.8586
2005	4	1.08	24.0	76.0	0.8208
2004	5	1.13	29.0	71.0	0.8023
2003	6	1.16	34.0	66.0	0.7656
2002	7	1.17	38.0	62.0	0.7254
2001	8	1.18	42.0	58.0	0.6844
2000	9	1.21	46.0	54.0	0.6534
1999	10	1.23	50.0	50.0	0.6150
1998	11	1.24	53.0	47.0	0.5828
1997	12	1.25	56.0	44.0	0.5500
1996	13	1.27	59.0	41.0	0.5207
1995	14	1.29	62.0	38.0	0.4902
1994	15	1.33	64.0	36.0	0.4788
1993	16	1.36	67.0	33.0	0.4488
1992	17	1.39	69.0	31.0	0.4309
1991	18	1.42	71.0	29.0	0.4118
1990	19	1.48	73.0	27.0	0.3996
1989	20	1.53	75.0	25.0	0.3825
1988	21	1.60	77.0	23.0	0.3680
1987	22	1.66	79.0	21.0	0.3486
1986	23	1.69	81.0	19.0	0.3211
1985	24	1.72	83.0	17.0	0.2924
1984	25	1.77	85.0	15.0	0.2655
1983	26	1.83	87.0	13.0	0.2379
1982	27	1.86	89.0	11.0	0.2046
1981	28	1.98	91.0	9.0	0.1782
1980	29	2.19	93.0	7.0	0.1533
1979	30	2.44	95.0	5.0	0.1220
Residual		2.44	95.0	5.0	0.1220

NEVADA DEPARTMENT OF TAXATION
2009-2010 COST CONVERSION FACTORS
MOBILE HOMES SOLD ON OR AFTER JULY 1, 1982
16 YEAR STRAIGHT LINE

YEAR FIRST SOLD	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	5.0	95.0	0.9500
2007	2	1.00	10.0	90.0	0.9000
2006	3	1.03	15.0	85.0	0.8755
2005	4	1.03	20.0	80.0	0.8240
2004	5	1.09	25.0	75.0	0.8175
2003	6	1.17	30.0	70.0	0.8190
2002	7	1.20	35.0	65.0	0.7800
2001	8	1.25	40.0	60.0	0.7500
2000	9	1.26	45.0	55.0	0.6930
1999	10	1.27	50.0	50.0	0.6350
1998	11	1.27	55.0	45.0	0.5715
1997	12	1.28	60.0	40.0	0.5120
1996	13	1.29	65.0	35.0	0.4515
1995	14	1.30	70.0	30.0	0.3900
1994	15	1.35	75.0	25.0	0.3375
1993	16	1.42	80.0	20.0	0.2840
1992	17	1.44	80.0	20.0	0.2880
1991	18	1.45	80.0	20.0	0.2900
1990	19	1.50	80.0	20.0	0.3000
1989	20	1.57	80.0	20.0	0.3140
1988	21	1.58	80.0	20.0	0.3160
1987	22	1.63	80.0	20.0	0.3260
1986	23	1.70	80.0	20.0	0.3400
1985	24	1.75	80.0	20.0	0.3500
1984	25	1.83	80.0	20.0	0.3660
1983	25	1.77	80.0	20.0	0.3540
1982	26	1.73	80.0	20.0	0.3460

NEVADA DEPARTMENT OF TAXATION
 2009-2010 COST CONVERSION FACTORS
 MOBILE HOMES SOLD PRIOR TO JULY 1, 1982

YEAR	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
1982	27	1.00	80.0	20.0	0.2000
Residual		1.00	80.0	20.0	0.2000

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

BILLBOARDS

50 YEAR STRAIGHT LINE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2009	0	1.00	0.0	100.0	1.0000
2008	1	1.00	1.5	98.5	0.9850
2007	2	1.01	3.0	97.0	0.9797
2006	3	1.06	4.5	95.5	1.0123
2005	4	1.10	6.0	94.0	1.0340
2004	5	1.16	7.5	92.5	1.0730
2003	6	1.21	9.0	91.0	1.1011
2002	7	1.23	10.5	89.5	1.1009
2001	8	1.24	12.0	88.0	1.0912
2000	9	1.26	13.5	86.5	1.0899
1999	10	1.30	15.0	85.0	1.1050
1998	11	1.32	16.5	83.5	1.1022
1997	12	1.34	18.0	82.0	1.0988
1996	13	1.37	19.5	80.5	1.1029
1995	14	1.39	21.0	79.0	1.0981
1994	15	1.43	22.5	77.5	1.1083
1993	16	1.47	24.0	76.0	1.1172
1992	17	1.51	25.5	74.5	1.1250
1991	18	1.54	27.0	73.0	1.1242
1990	19	1.58	28.5	71.5	1.1297
1989	20	1.63	30.0	70.0	1.1410
1988	21	1.69	31.5	68.5	1.1577
1987	22	1.75	33.0	67.0	1.1725
1986	23	1.77	34.5	65.5	1.1594
1985	24	1.79	36.0	64.0	1.1456
1984	25	1.83	37.5	62.5	1.1438
1983	26	1.89	39.0	61.0	1.1529
1982	27	1.94	40.5	59.5	1.1543
1981	28	2.04	42.0	58.0	1.1832

NEVADA DEPARTMENT OF TAXATION

2009-2010 COST CONVERSION FACTORS

BILLBOARDS

50 YEAR STRAIGHT LINE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
1980	29	2.22	43.5	56.5	1.2543
1979	30	2.46	45.0	55.0	1.3530
1978	31	2.72	46.5	53.5	1.4552
1977	32	2.96	48.0	52.0	1.5392
1976	33	3.14	49.5	50.5	1.5857
1975	34	3.33	51.0	49.0	1.6317
1974	35	3.77	52.5	47.5	1.7908
1973	36	4.17	54.0	46.0	1.9182
1972	37	4.43	55.5	44.5	1.9714
1971	38	4.67	57.0	43.0	2.0081
1970	39	4.94	58.5	41.5	2.0501
1969	40	5.20	60.0	40.0	2.0800
1968	41	5.48	61.5	38.5	2.1098
1967	42	5.71	63.0	37.0	2.1127
1966	43	5.96	64.5	35.5	2.1158
1965	44	6.18	66.0	34.0	2.1012
1964	45	6.35	67.5	32.5	2.0638
1963	46	6.51	69.0	31.0	2.0181
1962	47	6.66	70.5	29.5	1.9647
1961	48	6.77	72.0	28.0	1.8956
1960	49	6.89	73.5	26.5	1.8259
1959	50	7.09	75.0	25.0	1.7725
Residual		7.09	75.0	25.0	1.7725

Appendix A

Nevada Revised Statutes and Nevada Administrative Code Related to Personal Property

(This listing may not be comprehensive. Please consult the statutes and regulations. You may find the statutes and regulations on the internet at <http://leg.state.nv.us/law1.cfm>).

Nevada Revised Statutes

NRS 361.013 “Billboard” defined. “Billboard” means a sign that directs attention to a business, commodity, service, entertainment or attraction that is sold, offered or exists at a location other than the premises on which the sign is located.

(Added to NRS by 1989, 1817)

NRS 361.028 “Manufactured home” defined. “Manufactured home” has the meaning ascribed to it in [NRS 489.113](#).

(Added to NRS by 2001, [1540](#))

NRS 361.029 “Mobile home” defined. “Mobile home” means a vehicular structure, built on a chassis or frame, which is designed to be used with or without a permanent foundation and is capable of being drawn by a motor vehicle. It may be used as a dwelling when connected to utilities or may be used permanently or temporarily for the advertising, sales, display or promotion of merchandise or services. The term does not include a recreational park trailer as defined in [NRS 482.1005](#).

(Added to NRS by 1989, 169; A 2001, [1727](#))

NRS 361.030 “Personal property” defined.

1. “Personal property” means:

(a) All household and kitchen furniture.

(b) All law, medical and miscellaneous libraries.

(c) All goods, wares and merchandise.

(d) All chattels of every kind and description, except vehicles as defined in [NRS 371.020](#).

(e) Stocks of goods on hand.

(f) Any vehicle not included in the definition of vehicle in [NRS 371.020](#).

(g) All locomotives, cars, rolling stock and other personal property used in operating any railroad within the State.

(h) All machines and machinery, all works and improvements, all steamers, vessels and watercraft of every kind and name navigating or used upon the waters of any river or lake within this State or having a general depot or terminus within this State.

(i) The money, property and effects of every kind, except real estate, of all banks, banking institutions or firms, bankers, moneylenders and brokers.

(j) All property of whatever kind or nature, except vehicles as defined in [NRS 371.020](#), not included in the term “real estate” as that term is defined in [NRS 361.035](#).

2. Gold-bearing and silver-bearing ores, quartz or minerals from which gold or silver is extracted, when in the hands of the producers thereof, shall not mean, not be taken to mean, nor be listed and assessed under the term “personal property” as used in this section, but are specially excepted therefrom, and shall be listed, assessed and taxed as provided by law.

[Part 3:344:1953]—(NRS A 1963, 305, 1121; 1983, 1191)

NRS 361.045 Taxable property. Except as otherwise provided by law, all property of every kind and nature whatever within this state shall be subject to taxation.

[Part 1:344:1953; A 1954, 29; 1955, 340]

NRS 361.227 Determination of taxable value.

1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

2. The unit of appraisal must be a single parcel unless:

(a) The location of the improvements causes two or more parcels to function as a single parcel;

(b) The parcel is one of a group of contiguous parcels which qualifies for valuation as a subdivision pursuant to the regulations of the Nevada Tax Commission; or

(c) In the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit.

3. The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of [NRS 361.157](#) or [361.159](#) must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation, except that the taxable value so determined must be reduced by a percentage of the taxable value that is equal to the:

(a) Percentage of the property that is not actually leased by the lessee or used by the user during the fiscal year; and

(b) Percentage of time that the property is not actually leased by the lessee or used by the user during the fiscal year, which must be determined in accordance with [NRS 361.2275](#).

4. The taxable value of other taxable personal property, except a mobile or manufactured home, must be determined by subtracting from the cost of replacement of the property all applicable depreciation and obsolescence. Depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years.

5. The computed taxable value of any property must not exceed its full cash value. Each person determining the taxable value of property shall reduce it if necessary to comply with this requirement. A person determining whether taxable value exceeds that full cash value or whether obsolescence is a factor in valuation may consider:

(a) Comparative sales, based on prices actually paid in market transactions.

(b) A summation of the estimated full cash value of the land and contributory value of the improvements.

(c) Capitalization of the fair economic income expectancy or fair economic rent, or an analysis of the discounted cash flow.

↪ A county assessor is required to make the reduction prescribed in this subsection if the owner calls to his attention the facts warranting it, if he discovers those facts during physical reappraisal of the property or if he is otherwise aware of those facts.

6. The Nevada Tax Commission shall, by regulation, establish:

(a) Standards for determining the cost of replacement of improvements of various kinds.

(b) Standards for determining the cost of replacement of personal property of various kinds. The standards must include a separate index of factors for application to the acquisition cost of a billboard to determine its replacement cost.

(c) Schedules of depreciation for personal property based on its estimated life.

(d) Criteria for the valuation of two or more parcels as a subdivision.

7. In determining the cost of replacement of personal property for the purpose of computing taxable value, the cost of all improvements of the personal property, including any additions to or renovations of the personal property, but excluding routine maintenance and repairs, must be added to the cost of acquisition of the personal property.

8. The county assessor shall, upon the request of the owner, furnish within 15 days to the owner a copy of the most recent appraisal of the property, including, without limitation, copies of any sales data, materials presented on appeal to the county board of equalization or State Board of Equalization and other materials used to determine or defend the taxable value of the property.

9. The provisions of this section do not apply to property which is assessed pursuant to [NRS 361.320](#).

(Added to NRS by 1965, 1445; A 1969, 1451; 1975, 65, 1656; 1977, 1318; 1979, 79; 1981, 788, 789; 1983, 1047, 1884, 1885; 1987, 2075; 1989, 668, 1818; 1993, 2312; 1997, 1111; [1999, 1029](#); [2001, 842](#); [2003, 2758](#))

NRS 361.265 Written statement concerning personal property: Demand; contents; return of statement; valuation of unlisted property claimed by absent or unknown person; penalties.

1. To enable the county assessor to make assessments, he shall demand from each natural person or firm, and from the president, cashier, treasurer or managing agent of

each corporation, association or company, including all banking institutions, associations or firms within his county, a written statement, signed under penalty of perjury, on forms and in the format prescribed by the county assessor of all the personal property within the county, owned, claimed, possessed, controlled or managed by those persons, firms, corporations, associations or companies. The signature required by this subsection may include an electronic signature as defined in [NRS 719.100](#).

2. The statement must include:

(a) A description of the location of any taxable personal property that is owned, claimed, possessed, controlled or managed by the natural person, firm, corporation, association or company, but stored, maintained or otherwise placed at a location other than the principal residence of the natural person or principal place of business of the firm, corporation, association or company;

(b) The cost of acquisition of each item of taxable personal property including the cost of any improvements of the personal property, such as additions to or renovations of the property other than routine maintenance or repairs, and the year in which each item of taxable personal property was acquired; and

(c) If the natural person, firm, corporation, association or company owns at least 25 mobile or manufactured homes that are being leased within the county for commercial purposes, and those homes have not been converted to real property pursuant to [NRS 361.244](#), the year, make or model, size, serial number and location of each such mobile or manufactured home.

3. The statement must be returned not later than July 31, except for a statement mailed to the taxpayer after July 15, in which case it must be returned within 15 days after demand for its return is made. Upon petition of the property owner showing good cause, the county assessor may grant one or more 30-day extensions.

4. If the owners of any taxable property not listed by another person are absent or unknown, or fail to provide the written statement as described in subsection 1, the county assessor shall make an estimate of the value of the property and assess it accordingly. If the name of the absent owner is known to the county assessor, the property must be assessed in his name. If the name of the owner is unknown to the county assessor, the property must be assessed to "unknown owner," but no mistake made in the name of the owner or the supposed owner of personal property renders the assessment or any sale of the property for taxes invalid.

5. If any person, officer or agent neglects or refuses on demand of the county assessor or his deputy to give the statement required by this section, or gives a false name, or refuses to give his name or sign the statement, he is guilty of a misdemeanor.

[Part 5:344:1953]—(NRS A 1967, 558; 1969, 1452; 1981, 327; 1983, 519, 1193; 1985, 748; 1987, 531; 1989, 1820; [2003, 2761](#); [2005, 2656](#))

NRS 361.325 Nevada Tax Commission to establish valuations of mobile homes and land; property escaping taxation to be placed on assessment roll.

1. On or before the first Monday in June of each year, the Nevada Tax Commission shall:

(a) Fix and establish the valuation for assessment purposes of all mobile homes in the State.

(b) Classify land and fix and establish the valuation thereof for assessment purposes. The classification of agricultural land must be made on the basis of crop, timber or forage production, either in tons of crops per acre, board feet or other unit, or animal unit months of forage. An animal unit month is the amount of forage which is necessary for the complete sustenance of one animal unit for 1 month. One animal unit is defined as one cow and calf, or its equivalent, and the amount of forage necessary to sustain one animal unit for 1 month is defined as 900 pounds of dry weight forage.

2. The valuation of mobile homes and land so fixed and established is for the next succeeding year and is subject to equalization by the State Board of Equalization.

3. In establishing the value of new mobile homes sold on or after July 1, 1982, the Nevada Tax Commission shall classify them according to those factors which most closely determine their useful lives. In establishing the value of other mobile homes, the Commission shall begin with the retail selling price and depreciate it by 5 percent per year, but not below 20 percent of its original amount.

4. The Nevada Tax Commission shall cause to be placed on the assessment roll of any county property found to be escaping taxation coming to its knowledge after the adjournment of the State Board of Equalization. This property must be placed upon the assessment roll prior to the delivery thereof to the ex officio tax receiver. If such property cannot be placed upon the assessment roll of the proper county within the proper time, it must be placed upon the tax roll for the next ensuing year, in addition to the assessment for the current year, if any, and taxes thereon must be collected for the prior year in the same amount as though collected upon the prior year's assessment roll.

5. The Nevada Tax Commission shall not raise or lower any valuations established by the State Board of Equalization unless, by the addition to any assessment roll of property found to be escaping taxation, it is necessary to do so.

6. Nothing in this section provides an appeal from the acts of the State Board of Equalization to the Nevada Tax Commission.

[7:177:1917; A 1929, 299; 1939, 279; 1945, 78; 1953, 576]—(NRS A 1957, 314; 1963, 1123; 1967, 825; 1975, 1105, 1660, 1762; 1981, 859; 1983, 1195)

Nevada Administrative Code

NAC 361.130 Mobile or manufactured home. 1. The taxable value of a mobile home or manufactured home which constitutes real property is the cost of replacement of the mobile home or manufactured home less depreciation and obsolescence.

2. In determining the taxable value of a mobile home or manufactured home which constitutes personal property, each county assessor shall, if the mobile home or manufactured home was sold as new:

(a) Before July 1, 1982, value it at its retail selling price when sold to the original owner less depreciation at 5 percent per year, to a maximum depreciated value of 20 percent of its original retail selling price.

(b) On or after July 1, 1982, value it at replacement cost, when new, less depreciation. Replacement cost when new is the retail selling price to the original owner adjusted by factors reflected in the annual *Personal Property Manual*.

↪ Depreciation must be calculated pursuant to the schedule located in the annual *Personal Property Manual*. Additional depreciation and obsolescence may be calculated separately.

3. The retail selling price of a mobile home or manufactured home includes all charges for transportation, installation, accessories, profit and overhead.

4. If the owner of a mobile home or manufactured home which has been converted to real property wishes to convert the mobile home or manufactured home back to personal property, the county assessor shall provide the owner with a form for an affidavit of conversion which has been approved by the Commission and which must be recorded in the county recorder's office pursuant to [NRS 361.2445](#) before the mobile home or manufactured home may be removed from the tax rolls. The affidavit of conversion may include information concerning the cost of acquisition of the mobile home or manufactured home. All signatures required pursuant to [NRS 361.2445](#) to effectuate the conversion must be notarized.

5. The county assessor shall value the mobile home or manufactured home as personal property upon satisfaction of all the requirements set forth in [NRS 361.2445](#) if the mobile home or manufactured home remains within the jurisdiction of the county assessor.

[Tax Comm'n, Property Tax Reg. part No. 2, eff. 1-14-82]—(NAC A 10-10-83; 6-29-84; 5-16-86; R031-03, 8-4-2004)

NAC 361.1305 Billboards. ([NRS 360.090](#), [360.250](#), [361.227](#))

1. The taxable value of a billboard is the cost of replacement of the billboard less depreciation and obsolescence.

2. The cost of replacement of a billboard must be computed by multiplying the cost of acquisition to the current owner by the appropriate factor located in the annual *Personal Property Manual*. The factor that corresponds to the year the billboard was acquired must be used. Additional depreciation and obsolescence may be calculated separately.

(Added to NAC by Tax Comm'n, eff. 8-2-90; A by R031-03, 8-4-2004)

NAC 361.1351 "Acquisition cost" and "original cost" defined. ([NRS 360.090](#), [360.250](#), [361.227](#)) "Acquisition cost" or "original cost" means the actual cost of property to its present owner, including, without limitation, the costs of transportation and the costs of installation.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1355 "Costs of installation" defined. ([NRS 360.090](#), [360.250](#), [361.227](#)) "Costs of installation" means the costs of direct labor, direct overhead and the capitalized expense of interest or imputed charges for interest which are necessary to make the property operational.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1361 "*Personal Property Manual*" defined. ([NRS 360.090](#), [360.250](#), [361.227](#)) "*Personal Property Manual*" means a manual for the valuation of personal property that is published by the Department annually pursuant to [NAC 361.1365](#).

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1371 Procedure for determination of taxable value.

1. The taxable value of personal property must be determined by adjusting the acquisition cost of the property by a cost-index factor and reducing the adjusted acquisition cost by an estimate of applicable depreciation. The taxable value so determined shall be deemed to be the indicator of value of replacement cost new less depreciation.

2. In determining taxable value, a county assessor shall use the schedules in the *Personal Property Manual* that show the cost-index factors, the rates of depreciation and the percent good by year. The assessor shall use the schedules by:

- (a) Selecting the appropriate expected useful life of the personal property; and
- (b) Selecting the appropriate cost-index factor, based on the year of acquisition of the property, and applying it to the acquisition cost of the property.

➔ The result shall be deemed to be the replacement cost new of the property.

3. The assessor shall select the method of applying depreciation to the personal property by either:

- (a) Multiplying the adjusted acquisition cost of the property by the rate of depreciation and subtracting the result from the adjusted acquisition cost; or
- (b) Multiplying the adjusted acquisition cost of the property by the percent-good factor.

➔ The result from either approach shall be deemed to be the taxable value of the property.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1375 Determination of expected life, cost-index factors and depreciation. ([NRS 360.090](#), [360.250](#), [361.227](#))

1. Personal property must be categorized by the specific type of property that it is or by the type of industry in which it is used. Each category must be assigned to a schedule of expected life which is based on commonly available sources of information, including, without limitation, the life expectancy guidelines published by the Marshall and Swift Valuation Service and any other sources published in the *Personal Property Manual*.

2. The cost-index factors published in the *Personal Property Manual* must be determined by calculating the average change in costs over time. The Department shall identify the sources used to calculate the average change.

3. For purposes of calculating the amount of applicable depreciation, personal property must be assigned to one of the following expected lives:

- (a) Three-year life;
- (b) Five-year life;
- (c) Seven-year life;
- (d) Ten-year life;
- (e) Fifteen-year life;
- (f) Twenty-year life; or
- (g) Thirty-year life.

4. Depreciation must be calculated over the expected life of the personal property by using the declining balance method, except that tables which provide a method other than

the declining balance method for calculating depreciation may be used if the tables have been approved by the Commission and included in the *Personal Property Manual*.

5. For purposes of calculating the rate of depreciation, a residual amount of 5 percent must be used. Percent-good tables using a residual amount other than 5 percent may be adopted by the Commission if the Department has conducted a market study or has otherwise obtained information which indicates that a different residual amount is appropriate for the category in which the personal property is placed pursuant to subsection 1.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.138 Reported acquisition cost for leased equipment. ([NRS 360.090](#), [360.250](#), [361.227](#)) For leased equipment, the reported acquisition cost is the cost which the user of the property would incur if the equipment were purchased, less any discount customarily allowed by a seller.

(Added to NAC by Tax Comm'n, eff. 10-10-83; A by R034-03, 12-4-2003)

NAC 361.139 Personal property acquired with real property for lump sum; use of other valuation techniques. ([NRS 360.090](#), [360.250](#), [361.227](#))

1. In determining the taxable value of personal property which was acquired with real property for a lump sum, the assessor may refer to appropriate guides which list the cost of equipment to determine the value of the personal property in relation to the value of the real property. In addition, the assessor may estimate the age of the equipment by inspecting it or discussing the approximate value of the equipment with manufacturers, dealers or other persons in the business who have knowledge of the value of the equipment. The serial number, if it exists, may enable a manufacturer to determine the date of manufacture and the original cost.

2. If sufficient data is not otherwise available to establish acquisition cost, the assessor may use any nationally recognized valuation technique, including, without limitation:

(a) Establishing the current cost of replacement of the property with new property by reference to current manufacturing costs. If the current cost of replacement is known, the assessor shall apply depreciation to that cost to determine the taxable value.

(b) Using a guide which lists the cost or a procedure recognized by businesses which use such equipment to determine the taxable value. Before such a guide or procedure may be used, an assessor must receive approval from the Executive Director.

(c) Using information based on current market data.

3. Upon request, the Division of Assessment Standards of the Department will provide information on various guides which may be used to determine original cost.

(Added to NAC by Tax Comm'n, eff. 10-10-83; A 6-29-84; R034-03, 12-4-2003)

(a) Establishing the current cost of replacement of the property with new property by reference to current manufacturing costs. If the current cost of replacement is known, the assessor shall apply depreciation to that cost to determine the taxable value.

(b) Using a guide which lists the cost or a procedure recognized by businesses which use such equipment to determine the taxable value. Before such a guide or procedure may be used, an assessor must receive approval from the Executive Director.

(c) Using information based on current market data.

Excerpts from Department of Taxation Letter of Guidance

Letter dated December 02, 2004, responding to county assessors' question: In determining the proper amount of depreciation to be applied to personal property using the Department's *Personal Property Manual*, does the year of acquisition refer to a calendar year or a fiscal year?

Short Answer

The use of the year of acquisition is dependent on the fiscal year only with regard to the correct selection of the *Personal Property Manual* to be used. The year of acquisition is otherwise an actual date during a calendar year that indicates the age of the property to be used in the expected life tables. *(Please ask the department for a copy of the letter if you wish to read the entire discussion.)*

Appendix B: Methodology Used to Estimate Cost Indexes

The percent change in each index is measured between the current year and the prior year. The mean of the sum of the changes for each year of the expected life table is calculated and becomes the basis for the cost index to trend acquisition cost to a current replacement cost.

Sources Used to Estimate Cost Indexes

Producer Price Index (PPI)

The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services. PPIs measure price change from the perspective of the seller. This contrasts with other measures, such as the Consumer Price Index (CPI), that measure price change from the purchaser's perspective. Sellers' and purchasers' prices may differ due to government subsidies, sales and excise taxes, and distribution costs.

Data Source

- The PPI sample includes approximately 25,000 establishments providing close to 100,000 price quotations per month.
- Participating establishments report price data primarily through the mail.
- Good and services included in the PPI are weighted by value-of-shipments data contained in the 1992 economic census.
- Industries and products are systematically resampled as needed.

The producer price index series reference is WPUSOP3200, not seasonally adjusted. The group used was the stage of processing, the item was capital equipment, and the base date was 8200. The data may be found at <http://data.bis.gov/cgi-bin/surveymost?wp>.

Consumer Price Indexes (CPI)

The consumer price index (CPI) is a measure of the average change in prices over time of goods and services purchased by households. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) the CPI for Urban Wage Earners and Clerical Workers (CPI-W), which covers households of wage earners and clerical workers that comprise approximately 32 percent of the total population and (2) the CPI for All Urban Consumers (CPI-U) and the Chained CPI for All Urban Consumers (C-CPI-U), which cover approximately 87 percent of the total population and include in addition to wage earners and clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI represents all goods and services purchased for consumption by the reference population (CPI-U or CPI-W). BLS has classified all expenditure items into more than 200

categories, arranged into eight major groups. Major groups and examples of categories in each are as follows:

- FOOD and BEVERAGES (breakfast cereal, milk, coffee, chicken, wine, full service meals and snacks);
- HOUSING (rent of primary residence, owners' equivalent rent, fuel oil, bedroom furniture);
- APPAREL (men's shirts and sweaters, women's dresses, jewelry);
- TRANSPORTATION (new vehicles, airlines fares, gasoline, motor vehicle insurance);
- MEDICAL CARE (prescription drugs and medical supplies, physicians' services, eyeglasses and eye care, hospital services);
- RECREATION (televisions, cable television, pets and pet products, sports equipment, admissions);
- EDUCATION AND COMMUNICATION (college tuition, postage, telephone services, computer software and accessories);
- OTHER GOODS AND SERVICES (tobacco and smoking products, haircuts and other personal services, funeral expenses).

Also included within these major groups are various government-charged user fees, such as water and sewerage charges, auto registration fees, and vehicle tolls. The CPI also includes taxes (such as sales and excise taxes) that are directly associated with the prices of specific goods and services. However, the CPI excludes taxes (such as income and Social Security taxes) not directly associated with the purchase of consumer goods and services.

The CPI does not include investment items, such as stocks, bonds, real estate, and life insurance. (These items relate to savings and not to day-to-day consumption expenses.)

The Consumer Price Index series ID reference is CUUR0400SA0, CUUS0400SA0 for area West Urban, All Items. The base period is 1982-84 = 100. The data may be found at http://data.bls.gov.servlet/SurveyOutputServlet?data_tool-dropmap&series_id=CUUR0400SA0.

Marshall Valuation Service

Marshall Valuation Service publishes a national average equipment cost index based on industry type. The Department measures the change in the index for each category of industry from the prior year.

Market Tests

In addition to the sources already cited, the Department conducts market tests to validate the results of applying the cost indices to particular items of personal property. The original cost of a selected sample of personal property items is trended using the proposed cost index conversion factor. The result of this calculation is compared to the actual average resale of the item obtained from various market research sources. The purpose of the market test is to ensure

the proposed cost indices do not result in a value which exceeds full cash value. The market tests are also used to establish hypothetical market-based depreciation schedules. The sources of information for the market comparisons include the following:

N.A.D.A., The Manufactured Housing Guide of the National Automobile Dealers Association, National Edition (Costa Mesa, CA: January through April, 2008.)

- The Guide provides the average retail book value by manufacturer, model, and region of mobile home, with tables for options. Values are provided for homes one to fourteen years of age, and conversion tables for homes older than 14 years.

Interactive Realtime Online Network (IRON) Solutions, Southwest Region Official Guide, Spring Edition, Region A, Volume 13, Issue 4 (Fenton, MO: Winter, 2007). Some items looked up on the website: <http://www.ironguide.com/rtg/>

- IRON Solutions provides depreciated value of agricultural equipment. The Guide provides retail advertised price, resale cash value, trade value premium, trade value rough, and average wholesale prices. The Guide averages dealer and auctioneer reported prices with a depreciation formula to keep relativity in the prices of all units in each class.

Clymer, Powersport Vehicle Blue Book, 2008 Spring/Summer Edition, (Penton Business Media, Inc., Overland Park, KS).

- The Blue Book provides pricing in the powersports industry, including snowmobiles, personal watercraft, trailers, and motorcycles.

Aircraft Bluebook Price Digest, Spring 2008 Edition, Vol. 08-1 (Penton Business Media, Inc., Overland Park, KS).

- The Bluebook provides representative average retail prices of fixed wing aircraft and helicopters.

Orion Research Corporation, Orion Blue Book Computer, Web Database Edition (Roger Rohrs Publisher) <http://www.usedprice.com>.

- The Orion Blue Book determines used prices of computers and peripherals based on dealer surveys gathered nationwide. Dealers are asked to provide the “asking price,” “Selling price,” and “days to sell.” The used price is then calculated based on what an average store could sell the product for in 30 days or less.

Mike Hall, Ed., Grounds Maintenance Equipment Blue Book, March 1 2008 – February 28, 2009 Edition, (Primedia Business Magazines, Overland Park, KS: 2002).

- The Blue Book provides the estimated average resale or retail price, excluding options of power equipment.

Appendix C: Methodology Used to Estimate Expected Useful Life

The Department estimates the expected useful life of different types of personal property by surveying a variety of sources. Expected useful life is defined as the amount of time an item of personal property can be expected to last before it wears out, decays, gets used up, becomes obsolete, or loses its value from natural causes. The life is measured from the time the property is first put into service until it is retired from service or permanently withdrawn from use in a trade or business, or when the production of income ceases because the property has been sold, exchanged, converted to personal use, abandoned, or otherwise destroyed.

The Department does not have the resources available to perform its own mortality or actuarial studies. However, there are other sources that do perform this service. The sources itemized below include actuarial studies of the Internal Revenue Service, Marshall and Swift Costing Service, and the California State Board of Equalization. Also included are the surveys of several western states and certain industries.

Sources Used to Estimate Expected Useful Life

Marshall Valuation Service, “Life Expectancy Guidelines,” (Marshall & Swift, L.P., 2002)

- Depreciable assets are listed by industry group and are extracted from U.S. Treasury Department Internal Revenue Service Publication 534 titled “Depreciation.” The Guidelines list ranges of life. In certain cases, the IRS was not the primary source. In those cases, the range of life is based on a composite of studies of equipment, bookkeeping practices and appraisers’ opinions as compiled from a consensus of recognized trade groups, suppliers and other interested parties. Computers and terminals are one example of an independent study conducted by Marshall & Swift.

Department of the Treasury, Internal Revenue Service, Publication 946, “How to Depreciate Property,” and Publication 534, “Depreciating Property Placed in Service Before 1987.”

- These two publications specifically identify types of property and the expected useful life. For instance, an example of five-year property is computers and peripheral equipment.

California State Board of Equalization, Assessors Handbook, Section 581 (January, 2003), <http://www.boe.ca.gov/proptaxes/pdf/ah5811-03.pdf>

Arizona Department of Revenue, Personal Property Manual, Chapters 5 and 10 (January 1, 2008), www.revenue.state.az.us.

State of Montana, Department of Revenue, Farm Machinery Manual (2003).

Oregon Department of Revenue, Personal Property Valuation Guidelines (2008), <http://www.oregon.gov/DOR/PTD/docs/303-441.pdf>

Utah State Tax Commission, 2008 Personal Property Valuation Schedules and Registered Vehicle Uniform Fee Schedules (2008), <http://propertytax.utah.gov/schedules/schedules.html>

Wyoming Department of Revenue, Life Tables for Personal Property – Realware Type, <http://revenue.state.wy.us/PortalVBVS/uploads/LifeTablesForPersonalProperty-2007.pdf> (8/2005)