

December 5, 1997

MEMORANDUM

To: Users of the 1998 North Carolina Department
of Revenue Cost Index & Depreciation Schedules

From: John C. Bailey, Director
Ad Valorem Tax Division

Re: 1998 Cost Index and Depreciation Schedules,
Annual interest rate for Property Tax Commission refunds.

Secretary of Revenue, Muriel Offerman, has set the interest rate for the period January 1, 1998 through June 30, 1998 at 9%. This rate is to be used when calculating refunds due to ratified Senate Bill 1064 which allows a taxpayer who prevails in an appeal to the Property Tax Commission to receive interest on any overpayment of tax.

We are enclosing the Depreciation and Valuation Schedules for the 1998 tax year. We recommend the use of these schedules in the valuation of business fixtures, machinery and equipment listed as of January 1, 1998.

The only change, other than the usual percent good factor adjustments, is the removal of the intangible personal property section, due to the exemption of intangible personal property.

These schedules have been prepared by this office as a general guide to be used in the valuation of business personal property utilizing the replacement cost approach to value. It is important to remember that the schedules are only a guide. There will be situations where the appraiser may need to make adjustments for additional functional or economic obsolescence, or for other factors.

We feel that the proper use of the schedules will aid in the overall uniformity and equity of property tax assessment practices as required by North Carolina statutes. If you have any questions about these schedules please contact **David Baker or Kirk Boone** at **919-733-7711**.

1998
Cost Index &
Depreciation Schedules



North Carolina Department of Revenue
Ad Valorem Tax Division

INTRODUCTION

Following this introduction is the 1998 Trending Schedules for use in valuation of business personal property located in North Carolina. One of the most effective and efficient methods for determining current Replacement Cost New less Depreciation is the use of these valuation tables. These tables are published by the Ad Valorem Tax Division solely to assist the business personal property appraiser in determining current market value.

All life years used on the different types of property have been carefully researched with federal tax guides, other state government depreciation schedules, as well as information provided to us by the taxpayers themselves. The trend factors are determined using the percentage price increase over the past year of similar business markets. These percentages come from the latest edition of Producer Price Indexes, as determined by the U.S. Department of Labor, Bureau of Labor Statistics.

In using these trending schedules, you will be utilizing the cost approach to value. In using the cost approach, the appraiser must determine four critical elements:

1. The original (historical) installed cost
2. The current replacement cost new (RCN)
3. The useful economic life of the property
4. The loss in value (Depreciation)

When applying the schedules, always use original (historical) cost which includes all costs involved with bringing the property in operation. As an example, consider the following: In their 1998 business listing, a manufacturer of machinery listed \$10,000 machinery and equipment, acquired in 1993. This amount correctly included \$8,000 actual equipment, \$1,500 installation, and \$500 freight and taxes. Using schedule A with a suggested useful life of 10 years, we note that the appraised market value as of January 1, 1998 would be:

$$\$10,000 \times .55 = \$5,500$$

In examining what we have done, the trending factor of 1.09 brings the value of the equipment up to current replacement cost new which would be:

$$\$10,000 \times 1.09 = \$10,900$$

Then we depreciate RCN assuming the property is five years old with a suggested ten year life:

$$\$10,900 \times .50 = \$5,450, \text{ rounded up to } \$5,500 \text{ is the same answer as above.}$$

The valuation tables show percent good factors (.55) which are simply the products of the trending factors (1.09) and the straight line depreciation factors (.50). These percent good factors are used to find current replacement cost new less depreciation. It is **very important** to remember that in using the trending schedules, do not apply the trend factor a second time as it has already been used in the calculation of the percent good factor.

Effective 1/1/1998

Index of Properties included in Depreciation and Valuation Tables

	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>AEROSPACE INDUSTRY</u>	18	B	8
Primarily engaged in the manufacture of aircraft, spacecraft, rockets, missiles and component parts.			
<u>AIR CONDITIONING EQUIPMENT</u>			
Large - 20 tons and over	18	B	20
Medium and Small - Under 20 tons...	18	B	10
Heat Pumps - All sizes.....	18	B	7
<u>AIRPORT GROUND EQUIPMENT</u>	18	B	10
Unlicensed Vehicles.....	18	B	10
<u>AMUSEMENT AND RECREATION EQUIPMENT</u>			
A. Amusement Park			
Amusement Rides.....	18	B	5
Billiards and Pool.....	18	B	10
Boats.....	18	B	5
Bowling Alleys.....	18	B	8
Coin Operated Electronic Games (Video Games)	18	B	3
Dance Studio.....	18	B	10
Gymnasium (Health Clubs).....	18	B	10
Museum	18	B	10
Race Track.....	18	B	10
Video Rental Tapes.....	24	N	2 (1)
Video Rental Tape Player.....	18	B	3
B. Golf Carts.....	18	B	5
C. Miniature Golf Courses.....	18	B	10
D. Average All (Variety).....	18	B	7

(1) Use 15% residual value on all remaining tapes after 2nd year. Use \$6.75 residual value if number of tapes is given.

If Cost Data is Given		If Number of tapes is reported	
<u>YEAR</u>	<u>% Good</u>	<u>YEAR</u>	<u>\$ PER TAPE</u>
1997	50	1997	\$22.50
1996	25	1996	\$11.25
1995	15	1995	\$ 6.75

* Indicates a change from last year

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>APARTMENT AND ROOMING HOUSE (EQUIPMENT)</u>	20	G	8
<u>APPAREL AND OTHER FINISHED PRODUCTS</u> <u>MANUFACTURED FROM FABRICS, FABRICATED</u> <u>TEXTILE PRODUCTS AND SIMILAR MATERIALS</u>			
Leather Apparel.....	17	A	11
Fabrics - Knitwear and Fur.....	17	A	9
Rubber Apparel.....	17	A	14
Miscellaneous Textile Products such as draperies and canvas.....	17	A	9
<u>ASPHALT ROOFING MATERIALS</u> <u>(EQUIPMENT USED TO MANUFACTURE)</u> (See Petroleum Products Manufacturing)			
<u>AUTOMOBILE REPAIR AND SERVICE EQUIPMENT</u>			
Body Shops.....	22	J	10
Car Wash Automatic.....	22	J	5
Car Wash Automatic (Coin Operated)	22	J	5
Garages.....	22	J	10
Portable Service Station Equipment.	22	J	10
Recapping, Retreading and Rebuilding Tires.....	22	J	8
Service Station Equipment.....	22	J	10
Service Station Leak Detection Equipment.....	22	J	8
Service Station Test Equipment.....	22	J	8
<u>BAKERIES - RETAIL (BAKING AND SELLING)</u>	17	A	10
<u>BANKS & SAVINGS AND LOAN EQUIPMENT</u>			
Automated Teller Machines (ATM)....	21	H	5
Drive in Windows.....	21	H	10
Night Depository.....	21	H	10
Teller Service Area.....	21	H	10
Teller service Systems.....	21	H	10
Closed Circuit TV - Pneumatic.....	21	H	4
Visual Pneumatic.....	21	H	10
Currency Lockers.....	21	H	20
Safe Deposit Box.....	21	H	20
Teller Lockers.....	21	H	20
<u>Note</u> For vaults, vault doors, inner gates, vent fans and additions, see the 50 year depreciation schedule M.....	23	M	50

* Indicates a change from last year

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>BAR - RESTAURANT AND SODA FOUNTAIN</u> <u>EQUIPMENT</u>	20	E	10
Includes all eating and drinking establishments selling prepared food and drinks			
<u>BARBER SHOP EQUIPMENT</u>	18	B	10
<u>BEAUTY SHOP EQUIPMENT</u> , Tanning beds	18	B	8
<u>BOAT BUILDING</u>			
Includes repair and conversion.....	18	B	12
Molds for fiberglass boats.....	18	B	3
<u>BOAT DOCKS</u> (Where Classified as Personalty)			
Wood and Foam.....	18	B	5
Steel or other Metal Construction..	18	B	20
<u>BOTTLING - (PLANT EQUIPMENT)</u>	17	A	12
Manufacture, bottling or canning of soft drinks, fresh fruit drinks, mineral and distilled waters, carbonated beverages, etc.			
<u>BROADCASTING - RADIO AND TV EQUIPMENT</u>			
Studio Broadcasting Equipment.....	18	B	6
Transmitting Towers.....	18	B	25
<u>CABLE TV EQUIPMENT</u>			
Headend Equipment, Receiving Antennas.....	18	B	11
Distribution Systems, Sat. Dishes..	18	B	10
Subscriber Connection.....	18	B	3
Towers.....	18	B	25
<u>CELLULAR EQUIPMENT</u>			
Towers.....	18	B	25
Power Supply, PBX (internal phone system), Antenna System Microwave..	18	B	10
Antenna Cell Site, Cell equip, Microwave Digital, Switches, Channeling Equip, Tools & testing equip., Telephones, pagers, antennas.....	18	B	5

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>CEMENT MANUFACTURING AND CONCRETE PRODUCTS</u>			
Ready Mix Concrete Plants.....	17	A	15
Concrete Products Manufacturing, (Blocks, Pipe, etc.).....	17	A	12
Cement Manufacturing Plants.....	17	A	20
Portable Ready Mix Plants.....	17	A	8
Mixers (Truck Mounted).....	17	A	15
<u>Note</u> Cement manufacturing plants have a combination of quarrying and manufacturing machinery which should be reported and appraised separately			
<u>CHEMICAL AND ALLIED PRODUCTS</u>	17	A	10
Establishments producing basic chemicals and establishments manufacturing products by predominantly chemical processes such as industrial gasses, drugs, pharmaceutical detergents, perfumes, cosmetics, cleaning preparations, paints, lacquers, varnishes, enamels, etc.			
Manufacture of Compressed Gasses...	17	A	8
<u>COMMUNICATION - TELEPHONE AND INTERCOM SYSTEMS- PAY PHONES-FACSIMILE SYSTEMS</u> ..	18	B	10
<u>COMPUTER MANUFACTURING</u>			
Manufacturers engaged in the assembly of computers.....	21	I	8
<u>CONTRACTOR'S EQUIPMENT</u>			
General Construction - Highway, Dams, etc.	17	A	8
Barricades and Warning Devices.....	17	A	3
Special Trade Contractors Electrical Heating, Plumbing, Painting, Framing & Carpentry....	17	A	10
Cranes to 50 tons, Shovels to 8 cubic yards.....	17	A	10
Cranes, Shovels, and Drag Lines....	18	B	25
Portable Asphalt Batch Plants.....	17	A	6

* Indicates a change from last year

	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>COTTON GINS AND COMPRESSES</u>	17	A	12

Cotton gin machinery for removing seeds from raw cotton. Cotton Compresses are machines used to bale cotton after ginning.

COPYING AND DUPLICATING EQUIPMENT

Use Schedule N	24	N	5
Use this schedule for manufacturer-lessor as current retail selling price will be reported.			

Use Schedule L.....	22	L	5
Use this schedule for non-manufacturer lessor and private owner as historical cost will be reported.			

DATA PROCESSING EQUIPMENT - Non-production computers

The definition of non-production computers does not include computers embedded in machinery nor does it include equipment or computers specifically designed for use in any other application directly related to manufacturing.

Use Schedule U	28	U	5
Use this schedule for all reported computer and data processing equip. Note the 10% residual.			

Software (10% residual).....	28	U	5
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Note Accelerated depreciation is used on this class of equipment. Our experience has shown that advanced equipment will become available before existing equipment reaches the depreciation floor.

DRILLING EQUIPMENT (GAS, PETROLEUM & WATER)

Exploration and Drilling Equipment.	17	A	6
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Includes water well drilling equipment mounted on vehicles.

* Indicates a change from last year

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>DRY CLEANING AND LAUNDRY EQUIPMENT</u>			
Commercial.....	18	B	10
Coin Operated.....	18	B	6
Leased and Rented Linens and Uniforms (Not trended).....	24	N	2
<u>ELECTRICAL EQUIPMENT</u>			
Manufacture of electrical household appliances, batteries, machinery used in the generation and utilization of electric energy....	21	I	10
<u>ELECTRONIC EQUIPMENT</u>			
A. Includes the manufacture (50% or more) of Electronic Communication, Detection, Guidance, Control, Radiation Computation, Test and Navigation equipment.	21	I	8
B. Manufacturers engaged only in the purchase and assembly of electronic components.	21	I	12
C. Semi-Conductor Manufacturing....	28	U	6
Semi-Conductor Testing Equip....	28	U	8
D. Vapor Depollution System.....	17	A	5
<u>FABRICATED METAL PRODUCTS</u>	17	A	12
Includes the manufacture of fabricated metal products such as cans, tinware, hardware, metal structural products, architectural and ornamental metal work, nuts, bolts, metal awnings, portable metal structures, etc.			
<u>FARM AND RANCH MACHINERY AND EQUIPMENT</u>			
Includes machinery and equipment used in the production of crops and livestock and on-the-farm processing of feeds. (portable hammermills)...	17	A	8
Tractors, combines, cotton harvesters, hay balers, forage harvesters, plows, harrows, sprinkler equip., etc. ...	17	A	8
* Indicates a change from last year			

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>FOOD, BEVERAGE AND KINDRED PRODUCTS</u>			
<u>(MANUFACTURING, PACKAGING, AND PROCESSING)</u>			
Bakery Products.....	17	A	12
Brewery and Distillery.....	17	A	12
Canned, Preserved Fruits and Vegetables	17	A	12
Confectionery and Related Products.	17	A	12
Creamery and Dairy Products.....	17	A	12
Grain Mill Products.....	17	A	17
Includes assets used in the production of flours, cereals, live- stock feeds, and other grain and grain mill products. (large hammermills)			
Grain Tanks.....	17	A	15
Miscellaneous Food Preparations such as honey and potato chips.....	17	A	12
Sugar and Sugar Products.....	17	A	18
Vegetable Oil Products.....	17	A	18
<u>FURNITURE MANUFACTURING OF WOOD PRODUCTS,</u>			
<u>EXCEPT LUMBER MANUFACTURING</u>			
	17	A	10
<u>GLASS AND GLASS PRODUCTS (EXCLUDES</u>			
<u>MANUFACTURE OF LENSES)</u>			
	17	A	14
The manufacture of glassware, pressed or blown, and the manu- facture of products from purchased glass such as quartz and pyrex laboratory apparatus, art glass, doors made from purchased glass, etc., glass containers, plate, safety and window glass.			
Manufacture of Mirrors.....	17	A	10
<u>HOSPITAL AND NURSING HOME EQUIPMENT</u>			
CAT Scan & MRI Equipment.....	19	C	10
	19	C	6
<u>HOTEL, MOTEL AND RESORT EQUIPMENT</u>			
Televisions	18	B	5
	20	D	10
<u>HYDRO ELECTRIC GENERATING EQUIPMENT</u>			
	27	T	50

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>INSTRUMENTS (PROFESSIONAL, SCIENTIFIC & CONTROLLING, PHOTOGRAPHIC AND OPTICAL, WATCHES AND CLOCKS</u>	18	B	12

Includes establishments in manufacturing scientific and research instruments such as meters - gas, liquid, tallying and measuring; optical elements and assemblies, hearing aids, hearing test equipment, wheel chairs, prosthetic devices, contact lenses, photographic accessories, data cameras, watches and clocks.

LEASED OFFICE BUSINESS MACHINES

Excludes electronic data processing equipment, portable commercial equipment, and copiers.

Use Schedule N.....	24	N	5
Use this schedule for manufacturer/lessor as current retail selling price will be reported.			

Use Schedule S.....	26	S	5
Use this schedule for non-manufacturer/lessor as historical cost will be reported. Leased Communication Equipment.			

<u>LEATHER AND LEATHER PRODUCTS</u>	17	A	11
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Includes the manufacture of finished leather products, the tanning, currying and finishing of hides and skins, and the processing of fur pelts. For example, footwear, handbags, saddles, harnesses, luggage, etc.

LUMBERING

Logging Equipment.....	17	A	8
Sawmill Machinery and Equipment (Permanent Mills).....	17	A	10
Lumber manufacturing included.			
Sawmill (Portable).....	17	A	6

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>MACHINERY (MACHINE SHOPS)</u>	17	A	10
<p>Includes the manufacture of machinery such as engines and turbines, farm machinery, construction and mining machinery, food products machinery, paper industries machinery, compressors, pumps, ball and roller bearings, blowers, industrial patterns, process furnaces and ovens, office machines and service industry machines and equipment. Excludes manufacture of electrical machinery. Includes equipment used in machine shops.</p>			
<u>MEAT PRODUCTS - MANUFACTURING, PACKAGING AND PROCESSING</u>	17	A	12
<u>MEDICAL & DENTAL EQUIPMENT - INCLUDES VETERINARIAN, MEDICAL & DENTAL LABORATORIES EQUIPMENT</u>	19	C	10
<u>METAL WORKING MACHINERY</u>	17	A	12
<p>Manufacture of metal cutting, grinding, forming machines, jigs, dies, fixtures and accessories.</p>			
<u>MINING, QUARRYING AND PROCESSING (METAL AND NON-METAL)</u>			
<p>A. Mining and quarrying non-metallic minerals such as sand and gravel, ceramic clay, cinder, stone, chemicals - fertilizer.....</p>			
17	17	A	10
Portable Sand and Gravel Units..	17	A	8
<p>B. Mining, Milling and Processing Plants - (Metal)</p>			
Mining Equipment.....	17	A	10
Milling and Chemical Plant Equipment.....	17	A	15
Metal Processing Plants such as custom smelters.....	17	A	20
C. Foil Manufacturing.....	17	A	8
D. Environmental Equipment.....	17	A	12
E. Cranes, Shovels and Drag Lines..	18	B	25

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>MISCELLANEOUS MANUFACTURING</u>	17	A	12

Industries engaged in manufacturing the following: jewelry, silverware and plated ware, musical instruments, toys, amusement, sporting and athletic goods, pens, pencils, and other artist's materials, costume jewelry, notions, etc., brooms and brushes, etc.

<u>MORTUARY AND CEMETERY EQUIPMENT</u>	18	B	10
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<u>MOTOR VEHICLES, PARTS AND ACCESSORIES</u> ..	18	B	12
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Includes the manufacture of custom automobiles, vans, special truck bodies, catering, garbage, etc. The category also includes the manufacture of parts and accessories such as brake pads, shock absorbers, trailer hitches, etc.

<u>OFFICE FURNITURE, FIXTURES, MACHINES AND EQUIPMENT</u>	22	K	10
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Mailing Machines, Postage Machines, Burglar Alarms, etc.

Note This class does not include personal computers, facsimile machines, or other high-tech equipment.

PAPER AND ALLIED PRODUCTS

A. Pulp and Paper.....	17	A	16
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Includes the manufacture of pulp and pulp products from wood, rags, and other fibers. Also included is the manufacture of paper and paperboard products.

B. Paper Finishing and Converting..	17	A	12
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Includes the finishing and converting of paper into cartons bags, envelopes, and other similar products.

* Indicates a change from last year

	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>PETROLEUM PRODUCTS MANUFACTURING</u>			
<u>EQUIPMENT</u>	17	A	14
Includes equipment used in manufacturing asphalt shingles, roofing materials etc.			
<u>PETROLEUM AND GAS</u>			
Oil and Gas Well production equipment (includes well head equipment, gathering pipelines and related storage facilities).....	17	A	14
Petroleum Refining Plants.....	17	A	16
Petroleum Storage Facilities.....	17	A	16
Natural Gas and Helium Production Plants.....	17	A	14
Propane Gas Tanks and Distribution Equipment.....	17	A	16
<u>PHOTOGRAPHIC</u>	19	C	9
Automatic film processing equipment including the type used in the fast one hour photo process.			
<u>PLASTIC PRODUCTS</u>	17	A	11
Includes the manufacture of processed, fabricated and finished plastic products as well as the manufacture of basic plastic materials such as plastic bottles, styrofoam cups and packaging materials, plastic pipe, tubing, plastic screen, fiberglass bathroom fixtures etc.			
<u>PRIMARY METAL INDUSTRIES</u>			
Includes most hot metal processes such as the manufacture of foundry products, castings, forgings, sheet metal, pipe tubing, structural shapes and wire.			
Ferrous - Iron	17	A	18
Non- Ferrous - (Aluminum, copper)..	17	A	14

* Indicates a change from last year

	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>PRINTING AND PUBLISHING</u>	17	A	11

Includes printing, publishing lithography and printing services such as bookbinding, typesetting, photo-engraving, and electrotyping.

Note EDP and other Computer equipment used in publishing should be listed and appraised separately.

<u>PROFESSIONAL EQUIPMENT (MISCELLANEOUS)</u>	18	B	10
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Architects, accountants, engineers, photographic studio equipment, Taxidermists, Hobby & Craft Shops, Graphic Design Illustrations, etc.

<u>PROFESSIONAL LIBRARIES</u>	25	O	
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Architects, engineers, accountants law, medical, etc.

Note Used volumes in good saleable condition, should be appraised at 1/3 of original cost regardless of age.

<u>REFRIGERATION EQUIPMENT</u>	18	B	10
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Vacuum Cooling Stationary.....	18	B	10
Vacuum Cooling Portable.....	18	B	8

<u>RENTAL EQUIPMENT</u>	26	P & Q	5
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Use schedule P when historical cost is reported. Use Schedule Q when current replacement cost is supplied.

The equipment covered by this schedule consists of but is not limited to the following:
Hand Tools, portable gasoline powered equipment, service equipment, small mixers, lawn and garden equipment, printing equipment, etc. **These schedules are for property which is typically rented on an hourly or daily basis.**

* indicates a change from last year

	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>REPAIR SHOP EQUIPMENT</u>	17	A	10
Electrical, watch, clock, jewelry radio and TV, upholstery, furniture, household appliances, welding, locksmith, shoe, etc.			
<u>RUBBER PRODUCTS</u>	17	A	14
Includes the manufacture of finished rubber products.			
<u>SCALES</u>			
25 - 10 Ton.....	17	A	20
Less than 10 Ton	17	A	10
Portable	17	A	10
<u>SCHOOL EQUIPMENT</u>	20	D	10
<u>SCRAP METAL</u>	20	E	10
Equipment used in the cutting, wrecking, and storing of scrap metals.			
<u>SIGNS AND BILLBOARDS</u>			
Billboards: The valuation of outdoor display structures is outlined in a separate publication.			
Signs: On and off premise signs are erected for the purpose of information and direction. If the sign is built in a manner similar to a billboard, use the methodology outlined for outdoor display structures. If the sign is considered a "logo" type, it should be listed at historical cost and depreciated on a 10 to 20 year life.			
<u>SPECIAL PROPERTIES</u>	25	O	
<u>STEAM POWERED ELECTRICAL GENERATING</u>	27	T	30
<u>EQUIPMENT</u>			

* indicates a change from last year

	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>STONE AND CLAY PRODUCTS EXCEPT CEMENT</u> ..	17	A	15

Includes the manufacture of structural clay products such as brick, tile, pipe, etc. The category also includes pottery and related products such as vitreous china, plumbing fixtures, earthenware, ceramic insulating materials, asphalt building materials, gypsum and plaster products, cut and finished stone and abrasives, asbestos, and miscellaneous non-metallic mineral products.

STORE EQUIPMENT (RETAIL, WHOLESALE, AND SUPPLY)

General merchandise stores, building materials, hardware, apparel and accessory stores, furniture, home furnishings, equipment and supply, jewelry, miscellaneous retail, wholesale, and supply store equip.	20	D	10
Food stores, grocery, etc.	20	D	10

STRAIGHT LINE SCHEDULES..... 24 N

These schedules are included to assist the appraiser when other schedules are inappropriate. When using the straight line schedules, a residual value of 25% remains in effect unless variation is indicated by the property being appraised.

TELECOMMUNICATIONS SWITCH MANUFACTURING

Switch manufacturing equipment.....	28	U	8
Switch testing equipment.....	28	U	6

TESTING EQUIPMENT 26 R 8

Includes equipment used in research and development.

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>TEXTILE MILL PRODUCTS</u>			
Includes the manufacture of spun, woven or processed yarns and fabrics from natural or synthetic fibers...17		A	10
Textile finishing and dying..... 17		A	8
<u>Note</u> Effective 1-1-90 The 15% residual value on textile equipment is no longer extended to machinery acquired after 1981. The 15% residual will continue to be appropriate for assets acquired prior to 1981.			
<u>THEATER EQUIPMENT</u>	20	D	10
<u>TOBACCO AND TOBACCO PRODUCTS</u>			
<u>MANUFACTURING</u>	17	A	15
<u>TOOLS, MOLDS, DIES AND JIGS</u>	25	0	2 - 7
It will be necessary to determine from the particular manufacturer the average life of this category of property. Once the proper life has been determined, apply the straight line schedule (N).			
<u>TRANSPORTATION EQUIPMENT</u>	18	B	12
This category includes the manufacture of Motor Homes, Campers, Mobile Homes, and Motorcycles.			
<u>VENDING EQUIPMENT</u>			
Amusement (Bowlers, Pin Ball, Pool, Kiddie Rides, Hobby Horses etc.)	25	0	5
Cigarette Vendors.....	25	0	6
Food Vendors (Soft Drink, Candy, Hot and Cold Foods, Popcorn etc.)	25	0	5
Music Machines.....	25	0	6
Miscellaneous (Change, Newspaper, Photo, Stamps etc.).....	25	0	6
Leased Ice Machines.....	25	0	6

Use straight line schedule for the correct
life years. (Schedule N)

* indicates a change from last year

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	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>WAREHOUSE MATERIALS HANDLING EQUIPMENT..</u> Forklifts & Pallets	20	E	10
<u>WASTE MANAGEMENT</u> Includes assets and equipment used in the collection and management of household garbage and similar waste. Includes greenbox containers, toters, and similar equipment.	18	B	8
<u>WIRE PRODUCTS MANUFACTURING</u> Establishments primarily engaged in the manufacture of wire, and non- ferrous cable.	17	A	14
<u>WOODWORKING EQUIPMENT</u>	20	F	10

* indicates a change from last year

Schedule A Valuation Table

Historical (Original) Cost

Percent Good Factors

Yr Acq'd	Age	Trend Factor	Life in Years													
			3	5	6	8	9	10	11	12	14	15	16	17	18	20
1997	1	1.00	67	80	83	87	89	90	91	92	93	93	94	94	94	95
1996	2	1.02	34	61	68	77	81	82	84	85	88	89	89	90	91	92
1995	3	1.04	25	42	52	66	70	73	76	78	82	83	84	85	86	88
1994	4	1.07		25	35	54	60	64	68	72	76	78	80	81	83	86
1993	5	1.09			25	40	48	55	59	63	70	73	75	77	78	82
1992	6	1.11				28	37	44	49	56	63	67	70	72	74	78
1991	7	1.13				25	25	34	41	47	57	60	63	67	69	73
1990	8	1.16						25	31	38	50	55	58	61	65	70
1989	9	1.20							25	30	43	48	53	56	60	66
1988	10	1.25								25	36	41	46	51	55	63
1987	11	1.28									27	35	40	45	50	58
1986	12	1.32									25	26	33	38	44	53
1985	13	1.37										25	26	32	38	48
1984	14	1.40											25	25	31	42
1983	15	1.42													25	36
1982	16	1.47														29
1981	17	1.62														25
1980	18	1.78				*15		*15								
1979	19	1.91				15		15								

* Note: The 15 percent residual in the eight and ten year life schedules is for textile equipment acquired in 1980 and prior years only.

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Schedule B Valuation Table

Historical (Original) Cost

Percent Good Factors

Year Acquired	Age	Trend Factor	Life in Years											Cont'd	25*
			3	5	6	7	8	10	11	12	20	25			
1997	1	1.00	67	80	83	86	87	90	91	92	95	96	1975	25	
1996	2	1.00	33	60	67	71	75	80	82	83	90	92	1974	25	
1995	3	1.02	25	41	51	58	64	71	74	77	87	90			
1994	4	1.04		25	34	45	52	62	67	70	83	87			
1993	5	1.06			25	31	39	53	57	61	80	85			
1992	6	1.18				25	27	43	48	54	76	82			
1991	7	1.10					25	33	40	46	72	79			
1990	8	1.12						25	30	37	67	76			
1989	9	1.18							25	30	65	76			
1988	10	1.22								25	61	73			
1987	11	1.28									58	72			
1986	12	1.31									52	68			
1985	13	1.32									46	63			
1984	14	1.34									40	59			
1983	15	1.38									35	55			
1982	16	1.41									28	51			
1981	17	1.47									25	47			
1980	18	1.60										45			
1979	19	1.76										42			
1978	20	1.90										38			
1977	21	2.05										33			

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Schedule C Valuation Table

Historical (Original) Cost

Percent Good Factors

Year Acquired	Age	Trend Factor	Life in Years						
			3	6	9	10	11	12	14
1997	1	1.00	67	83	89	90	91	92	93
1996	2	1.01	33	68	80	81	83	84	87
1995	3	1.01	25	51	68	71	74	76	80
1994	4	1.03		34	58	62	66	69	73
1993	5	1.04		25	46	53	56	60	67
1992	6	1.07			35	43	47	54	61
1991	7	1.09			25	33	39	46	55
1990	8	1.12				25	30	37	48
1989	9	1.15					25	29	41
1988	10	1.21						25	35
1987	11	1.25							26
1986	12	1.31							25
1985	13	1.33							
1984	14	1.35							

*** Note: Beginning in 1996, we recommend schedule A for textile mill products rather than schedule C as in the past.**

Schedules D, E, F, G, Valuation Tables

Historical (Original) Cost

Year Acqd	Age	Schedule D		Schedule E		Schedule F		Schedule G	
		Trend Factor	Life 10	Trend Factor	Life 10	Trend Factor	Life 10	Trend Factor	Life 8
1997	1	1.00	90	1.00	90	1.00	90	1.00	87
1996	2	1.01	81	1.04	83	1.01	81	1.01	76
1995	3	1.03	72	1.05	74	1.04	73	1.03	65
1994	4	1.05	63	1.07	64	1.08	65	1.06	53
1993	5	1.07	54	1.08	54	1.12	56	1.09	40
1992	6	1.08	43	1.10	44	1.14	46	1.12	28
1991	7	1.09	33	1.13	34	1.15	35	1.13	25
1990	8	1.11	25	1.16	25	1.20	25		

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Schedules J, K, L Valuation Tables

Historical (Original) Cost

Year Acquired	Age	Schedule J			Schedule K			Schedule L					
		Trend Factor	Life			Trend Factor	Life		Trend Factor	Life			
			5	8	10		5	10		5	6	14	16
1997	1	1.00	80	87	90	1.00	80	90	1.00	80	83	93	94
1996	2	1.02	61	77	82	1.02	61	82	1.01	61	68	87	88
1995	3	1.03	41	65	72	1.04	42	73	1.01	40	51	80	82
1994	4	1.03	25	52	62	1.07	25	64	1.04	25	34	74	78
1993	5	1.04		38	52	1.10		55	1.05		25	67	72
1992	6	1.06		27	42	1.12		45	1.06			60	67
1991	7	1.09		25	33	1.12		34	1.04			52	58
1990	8	1.11			25	1.14		25	1.06			46	53
1989	9								1.06			38	47
1988	10								1.09			32	40
1987	11								1.13			25	35
1986	12								1.14			25	29
1985	13								1.16				25

Schedule M

Bank Vaults, Vault Doors, Additions, Inner Gates, Vent Fans Etc.

Age (Yrs)	Depreciation	Percent Good	Age (Yrs)	Depreciation	Percent Good
1	0.0	100.0	26	25.0	75.0
2	0.5	99.5	27	26.0	74.0
3	1.0	99.0	28	27.5	72.5
4	1.5	98.5	29	28.5	71.5
5	2.5	97.5	30	30.0	70.0
6	3.0	97.0	31	30.5	69.5
7	4.0	96.0	32	31.5	68.5
8	5.0	95.0	33	32.5	67.5
9	6.5	93.5	34	33.5	66.5
10	8.0	92.0	35	34.5	65.5
11	9.0	91.0	36	36.0	64.0
12	10.0	90.0	37	37.5	62.5
13	11.0	89.0	38	38.5	61.5
14	12.0	88.0	39	40.0	60.0
15	12.5	87.5	40	42.0	58.0
16	13.5	86.5	41	43.5	56.5
17	14.5	85.5	42	44.5	55.5
18	16.0	84.0	43	45.5	54.5
19	17.5	82.5	44	47.0	53.0
20	18.5	81.5	45	48.0	52.0
21	19.5	80.5	46	49.5	50.5
22	20.0	80.0	47	50.5	49.5
23	21.5	78.5	48	52.0	48.0
24	22.5	77.5	49	55.0	45.0
25	23.5	76.5	50	60.0	40.0

Note: Vaults, vault doors, additions, inner gates, and vent fans depreciate at the same rate as the main building. The depreciation factors above should only be used when this property is not included in the building valuation.

Schedule N
Straight Line Depreciation Table

Year Acq'd	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	20	25	Age (yrs)
97	50	67	75	80	83	86	87	89	90	91	92	92	93	93	94	94	95	96	1
96		33	50	60	67	71	75	79	80	82	83	84	86	87	87	88	90	92	2
95		0	25	40	50	57	63	67	70	73	75	77	79	80	81	82	85	88	3
94			0	20	33	43	50	56	60	64	67	69	71	73	75	76	80	84	4
93				0	17	29	37	44	50	54	58	61	64	67	69	71	75	80	5
92					0	14	25	33	40	44	50	54	57	60	63	65	70	76	6
91						0	13	22	30	36	42	46	50	53	56	59	65	72	7
90							0	11	20	27	33	38	43	47	50	53	60	68	8
89								0	10	18	25	31	36	40	44	47	55	64	9
88									0	9	17	23	29	33	37	41	50	60	10
87										0	8	15	21	27	31	35	45	56	11
86											0	8	14	20	25	29	40	52	12
85												0	7	13	19	23	35	48	13
84													0	7	13	18	30	44	14
83														0	6	12	25	40	15
82															0	6	20	36	16
81																0	15	32	17
80																	10	28	18
79																	5	24	19
78																	0	20	20
77																		16	21
76																		12	22
75																		8	23
74																		4	24
73																		0	25

Note: Use a 25% residual value when applying these schedules. Except on software use a 15% residual value.

Schedule O

Special Properties Life Years

PROFESSIONAL LIBRARIES

Accountants, Architects, Engineers, Law, Medical, Etc.

Used volumes in good, saleable condition are to be appraised at 1/3 of historical cost, regardless of age.

SIGNS

Refer to the State Manual for the appraisal of billboard structures.

TOOLS MOLDS DIES & JIGS

Life years 2-7

The appraiser will have to determine from the individual manufacturer the average life of this type of property. Once the appropriate life is determined, appraise using schedule N with a residual value of 25%

VENDING EQUIPMENT

Amusement (Bowlers, Pin Ball, Pool, Kiddie Rides, Hobby Horses etc.)	25	0	5
Cigarette Vendors.....	25	0	6
Food Vendors (Soft Drink, Candy, Hot and Cold Foods, Popcorn etc.)	25	0	5
Music Machines.....	25	0	6
Miscellaneous (Change, Newspaper, Photo, Stamps etc.).....	25	0	6
Leased Ice Machines.....	25	0	6

Use straight line schedule for the correct life years. (Schedule N)

Schedules P, Q, R, S, Valuation Tables

Historical (Original) Cost

Year Acqd	Age	Schedule P		Schedule Q		Schedule R		Schedule S	
		Trend Factor	Life 5	Trend Factor	Life 5	Trend Factor	Life 8	Trend Factor	Life 5
1997	1	1.00	80	1.00	80	1.00	87	1.00	80
1996	2	1.01	61	1.00	60	1.02	77	1.01	61
1995	3	1.03	41	1.00	40	1.03	65	1.01	40
1994	4	1.05	25	1.00	25	1.04	52	1.04	25
1993	5					1.06	39		
1992	6					1.08	27		
1991	7					1.11	25		

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Schedule T

Year Acq'd	Age (Yrs)	Trend Factor	Life 30	Years 50	Year Acq'd	Age (Yrs)	Trend Factor	Life 30	Years 50
1997	1	1.00	97	98	1972	26	3.43	46	165
1996	2	1.02	95	97	1971	27	3.55	36	163
1995	3	1.02	92	96	1970	28	3.71	25	163
1994	4	1.05	91	96	1969	29	3.94		166
1993	5	1.07	89	96	1968	30	4.23		169
1992	6	1.08	86	95	1967	31	4.44		169
1991	7	1.09	84	94	1966	32	4.64		167
1990	8	1.12	82	94	1965	33	4.83		164
1989	9	1.17	82	96	1964	34	4.85		155
1988	10	1.22	81	97	1963	35	5.05		152
1987	11	1.26	80	98	1962	36	5.12		143
1986	12	1.30	78	99	1961	37	5.13		133
1985	13	1.34	76	99	1960	38	5.17		124
1984	14	1.36	73	98	1959	39	5.18		114
1983	15	1.37	69	96	1958	40	5.27		105
1982	16	1.42	66	97	1957	41	5.37		97
1981	17	1.52	66	101	1956	42	5.48		88
1980	18	1.63	65	104	1955	43	5.75		80
1979	19	1.68	61	104	1954	44	6.33		76
1978	20	2.00	67	120	1953	45	6.72		67
1977	21	2.18	65	126	1952	46	8.14		65
1976	22	2.28	61	128	1951	47	6.97		42
1975	23	2.45	57	132	1950	48	7.10		28

1974	24	2.77	55	144	1949	49	7.54	25
1973	25	2.90	48	145	1948	50	7.76	25

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Schedule U Valuation Table

Historical (Original) Cost

Percent Good Factors

Year Acquired	Age	Trend Factor	Life in Years		
			5	6	8
1997	1	1.00	70	68	72
1996	2	1.00	55	51	60
1995	3	1.00	40	35	48
1994	4	1.00	30	18	35
1993	5	1.00	10	15	23
1992	6	1.00		15	15
1991	7	1.00			15
1990	8	1.00			15
1989	9	1.00			

Name:
Addr:
Addr:
C/S/Z:
Account # :

January 1 1998

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Twp: Rate Code:

Date: / / Appraiser:

Billboard Valuation Worksheet

Age	Year	Wood	Steel	RCN(wd)	RCN(st)	Value(wd)	Value(st)
1	1997	95	98				
2	1996	91	96				
3	1995	86	94				
4	1994	81	91				
5	1993	76	89				
6	1992	71	86				
7	1991	66	84				
8	1990	61	81				
9	1989	56	79				
10	1988	51	76				
11	1987	46	74				
12	1986	41	71				
13	1985	36	69				
14	1984	35	66				
15	1983		63				
16	1982		61				
17	1981		58				
18	1980		56				
19	1979		53				
20	1978		51				
21	1977		48				
22	1976		46				
23	1975		43				
24	1974		41				
25	1973		38				
26	1972		36				
27	Prior		35				

Totals

Adjustments

Assessed Value

Notes: