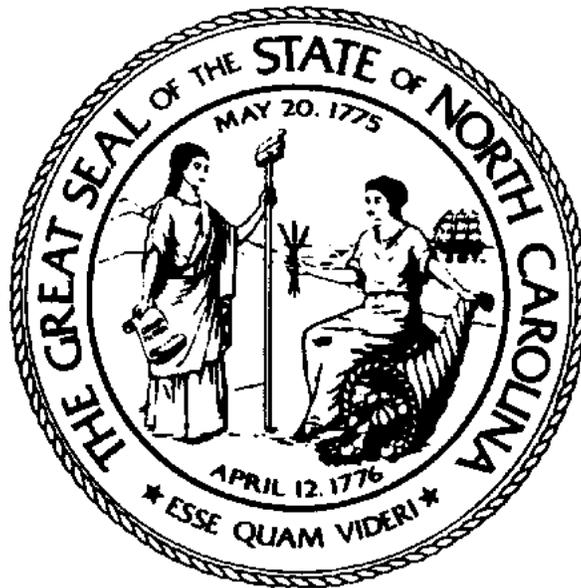


2016
Cost Index &
Depreciation Schedules



North Carolina Department of Revenue
Local Government Division
Property Tax Section



STATE OF NORTH CAROLINA
DEPARTMENT OF REVENUE
PROPERTY TAX SECTION

Introduction
Effective 1/1/2016

Following this introduction is the 2016 Cost Index and Depreciation 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 Property Tax Section 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 or decrease 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 into operation. As an example, consider the following: In their 2016 business listing, a manufacturer of machinery listed \$10,000 in machinery and equipment, acquired in 2009. 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, 2016 would be:

$$\$10,000 \times .33 = \$3,300$$

In examining what we have done, the trending factor of 1.11 brings the value of the equipment up to current replacement cost new, which would be:

$$\$10,000 \times 1.11 = \$11,100$$

Then we depreciate RCN assuming the property is seven years old with a suggested ten-year life and therefore has three years remaining in its useful economic life:

$$\$11,100 \times .30 = \$3,330, \text{ rounded to the nearest 100 is the same answer as above.}$$

The valuation tables show percent good factors (.33) which are simply the products of the trending factors (1.11) and the straight-line depreciation factors (.30). 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, you do not apply the trend factor a second time as it has already been used in the calculation of the percent good factor.



<u>MAJOR CATEGORY</u>	<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 & Lottery Ticket Sales Equipment.....	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 & DVD's		See Below ⁽¹⁾	
Video Rental Tape Player.....	18	B	3
⁽¹⁾ Residual Value - Use 10% residual value on all remaining tapes & DVD's after 2nd year or :			
If Cost Data is Given	Tapes/DVD's reported by year		If Number of tapes, DVDs,
<u>YEAR</u> <u>% Good</u>	<u>YEAR</u>	<u>\$ PER TAPE/DVD</u>	<u>and Games is reported</u>
2015 40	2015	\$18.00	Tape \$5
2014 15	2014	\$ 6.75	DVD \$10
2013 10	2013	\$ 4.50	Game \$12
B. Golf Carts.....	18	B	5
C. Miniature Golf Courses.....	18	B	10
D. Average All (Variety)	18	B	7
<u>APARTMENT AND ROOMING HOUSE (FF&E)</u>	20	G	8

* indicates a change from last year



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<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
Currency Processing Solution Safe	21	H	20
 <u>Note:</u> For portable vaults, vault doors, inner gates, vent fans and additions; see the 50 year depreciation schedule M	23	M	50

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<u>MAJOR CATEGORY</u>	<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>	18	B	8
Includes tanning beds, massage, manicure, pedicure, and other related salon equipment.			
<u>BILLBOARDS</u>			
Use the "Billboard Structures Valuation Guide"			
Link: www.dornc.com/publications/billboard/index.html			
<u>BOAT BUILDING</u>			
Includes repair and conversion.....	18	B	12
Molds for fiberglass boats	18	B	3
<u>BOAT DOCKS (Where Classified as Personalty)</u>			
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>			
Analog Television Broadcasting Equipment.....	18	B	5
Studio Broadcasting Equipment	18	B	6
Transmitting Towers.....	18	B	25
<u>CABLE MANUFACTURING</u>			
Manufacture of fiber optic, coaxial, and data cable	21	I	10
including coaxial, composite cable, and twisted copper cable.			
<u>CABLE and SATELLITE COMPANY EQUIPMENT</u>			
Subscriber Connections (Set-top Boxes, Modems,	28	U	5
External House Drops)			
Distribution Systems—Cable (Coaxial and Fiber Optic).....	18	B	10
Distribution Systems—Electronics (Node Electronics,	28	U	5
Amplifiers, Couplers, Splitters)			

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<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
Head-end Equipment, Hub Equipment	28	U	5
Towers, Antennas, Dishes	18	B	25
 <u>CELLULAR EQUIPMENT</u>			
Towers, concrete structures housing cell equipment	18	B	25
Power Supply, PBX (internal phone system), Cabinets, Microwave Antennas,	18	B	10
<u>Digital</u> -Antenna Cell Site, Cell Equip., Microwave Digital, Tools & Testing Equip., Telephones, Pagers, Antennas; & includes 2G and 3G equipment in jurisdictions where the carrier has NOT deployed 4G or newer generation equipment in that jurisdiction.....	28	U	6
<u>Digital</u> (Certain Obsolete Equipment)-includes obsolete yet functioning 2G and 3G equipment if the carrier has deployed 4G or newer generation equipment in that jurisdiction.....	18	B	3
<u>Analog</u> - Antenna Cell Site, Cell Equipment.....	18	B	3
 <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	6
 <u>Note: Cement manufacturing plants have a combination of quarrying and manufacturing machinery which should be reported and appraised separately.</u>			
<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, varnishes, cleaning preparations, paints, lacquers, enamels, etc.			
Manufacture of Compressed Gasses	17	A	8
 <u>COMMUNICATION - TELEPHONE AND INTERCOM SYSTEMS- PAY PHONES</u>			
	18	B	10
 <u>COMPUTER MANUFACTURING</u>			
Manufacturers engaged in the assembly of computers	21	I	8

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MAJOR CATEGORY **Page** **Schedule** **Life**

CONTRACTOR'S EQUIPMENT

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
Stationary Asphalt Batch Plants.....	17	A	14

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 owners as historical cost will be reported.			

Note: Certain types of copying and duplicating equipment have replaced computer printers, which are appraised using the “Data Processing Equipment” schedule, below. These types of copying and duplicating equipment are sometimes called “Multi-Function devices”, have the ability to function as network computer printer, copier, and fax and may be appraised using the Data Processing Schedule rather than the N5 or L5.

<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.			

DATA PROCESSING EQUIPMENT - Non-production computers

This category includes personal computers, midrange and mainframe computers, and their peripherals, used for data processing. Includes standard IBM-compatible PC's used in manufacturing and point-of-sale systems, but not proprietary point-of-sale units such as computers built specifically to be used as point-of sale computers or other proprietary computerized systems. For POS proprietary systems and electronic cash registers, see "Store Equipment". This category 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 or retail such as proprietary point-of-sale units. Does not include equipment that is an integral part of other capital equipment that is included in other classes of economic activity, i.e., computers used primarily for process or production

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MAJOR CATEGORY

Page Schedule Life

control, switching, channeling, and automating distributive trades and services such as proprietary point of sale (POS) computer systems. Also, does not include equipment of a kind used primarily for amusement or entertainment of the user.

Use Schedule U (5% residual)	28	U	5
Use this schedule for all reported computer and data processing equipment.			
Software (5% residual)	28	U	5

Note: Accelerated depreciation is used on data processing equipment.

DRILLING EQUIPMENT (GAS, PETROLEUM & WATER)

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

DRY CLEANING AND LAUNDRY EQUIPMENT

Commercial	18	B	10
Coin Operated	18	B	6
Leased and Rented Linens and Uniforms (Not trended).....	24	N	2

ELECTRIC ENERGY GENERATION EQUIPMENT

A. Hydro-electric generating equipment	27	T	50
B. Natural Gas-Fired and Combined Cycle Electrical Generating Equipment that does not also produce steam for sale.....	27	T	18
C. Photovoltaic Solar Electric Generating Equipment.....	27	T	18
D. Steam Powered Electric Generating Equipment includes assets used in the steam power production of electricity for sale, combustion turbines operated in a combined cycle with a conventional steam unit.	27	T	28
E. Wind Power Electricity Generation Systems	27	T	18
includes wind turbines, support shafts and foundations, and ancillary lines, transformers, and other equipment necessary to move the electricity from the wind turbines to the utility's transmission line.			
F. Biomass-Renewable Organic Matter Electricity Generating Equipment.....	27	T	18
G. Thermal Solar Electric Generating Equipment.....	27	T	18

ELECTRICAL EQUIPMENT (Manufacturing equipment)

Manufacture of electrical household appliances, batteries, machinery used in the generation and utilization of electric energy.....	21	I	10
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MAJOR CATEGORY

Page Schedule Life

ELECTRONIC EQUIPMENT

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 De-pollution System.....	17	A	5

FABRICATED METAL PRODUCTS 17 A 12

Includes the manufacture of fabricated metal products such as cans, tin ware, hardware, metal structural products, architectural and ornamental metal work, nuts, bolts, metal awnings, portable metal structures, etc.

FARM AND RANCH MACHINERY AND EQUIPMENT

Tractors, combines, cotton harvesters, and other large farm equipment: Whenever possible this equipment should be appraised using the market or sales approach. There are several good pricing guides available which provide market values of farm equipment based on sales. If the cost approach is used, the following schedule should be followed:

Tractors, combines, cotton harvesters and other large farm equipment	28	U	12
Use a 25% residual on combines and cotton harvesters.			

Farm implements such as hay balers, forage harvesters, plows, harrows, sprinkler equipment, bush hogs, planters, hay rakes and sprayers, etc.....	17	A	8
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If large equipment is not broken out from the farm implements, use an “A-10 schedule” with a 35% residual.

Machinery and equipment used in the production of crops and animals and on the farm processing of feeds (portable hammer mills). ...	17	A	8
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<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>FIBER OPTICS MANUFACTURING</u>	21	I	8
Manufacturers of glass fiber for fiber optics			
 <u>FOOD, BEVERAGE AND KINDRED PRODUCTS</u> <u>(MANUFACTURING, PACKAGING, AND PROCESSING)</u>			
Bakery Products	17	A	12
Brewery and Distillery, Winery Equipment	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>			
	19	C	10
CAT Scan & MRI Equipment	19	C	6
 <u>HOTEL, MOTEL AND RESORT EQUIPMENT</u>			
	20	D	10
Televisions	18	B	5

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MAJOR CATEGORY **Page** **Schedule** **Life**

LANDSCAPING EQUIPMENT.....17 A 8

IDLE EQUIPMENT

Equipment that has been taken off production status on a permanent basis is considered to be idle equipment. This classification should not be confused with equipment that is temporarily idle due to not yet being placed into production (CIP), a downturn in the economy, seasonal production, routine maintenance, etc. Although we recommend in most cases that some additional depreciation adjustment be made to verified idle equipment, there is no firm guideline as to what adjustment should be made to determine the final value.

In determining the amount of adjustment, the county appraiser must review each situation, taking into account all the factors affecting the property such as age, condition, past and future uses, marketability, remaining life, and reasons for the equipment being idle.

INSTRUMENTS (PROFESSIONAL, SCIENTIFIC & CONTROLLING, PHOTOGRAPHIC AND OPTICAL, WATCHES AND CLOCKS)

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. Includes leased fax machines.

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

Use Schedule S26 S 5
 Use this schedule for non-manufacturer/lessor as historical cost will be reported. Leased Communication Equipment.

LEATHER AND LEATHER PRODUCTS 17 A 11

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.

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<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>LUMBERING</u>			
Logging Equipment.....	17	A	8
Sawmill Machinery and Equipment (Permanent Mills).....	17	A	10
Lumber manufacturing included.			
Sawmill (Portable).....	17	A	6
<u>MACHINERY (MACHINE SHOPS)</u>	17	A	10
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 the manufacture of electrical machinery. Includes equipment used in machine shops.			
<u>MANUFACTURED HOME MANUFACTURING</u>	18	B	10
<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
Manufacture of metal cutting, grinding, forming machines, jigs, dies, fixtures and accessories.			
<u>MINING, QUARRYING AND PROCESSING (METAL AND NON-METAL)</u>			
A. Mining and quarrying non-metallic minerals such as sand and gravel, ceramic clay, cinder, stone (other than granite), chemicals, fertilizer			
	17	A	10
Granite Quarrying and Processing	17	A	9
Portable Sand and Gravel Units.	17	A	8

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<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
B. Mining, Milling and Processing Plants - (Metal)			
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
<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, brooms and brushes, etc.			
<u>MODULAR OFFICE SPACE--TRANSPORTABLE</u>	18	B	10
<u>MORTUARY AND CEMETERY EQUIPMENT</u>	18	B	10
<u>MOTOR VEHICLES, PARTS AND ACCESSORIES</u>	18	B	12
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
Mailing Machines, Postage Machines, Burglar Alarms, Office Furniture, Security Systems, etc.			
<u>Note:</u> This class does not include personal computers.			
<u>PAPER AND ALLIED PRODUCTS</u>			
A. Pulp and Paper	17	A	16
Includes the manufacture of pulp and pulp products from wood, rags, and other fibers. Also included is the manufacture of paper and paperboard products.			

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<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
B. Paper Finishing and Converting	17	A	12
Includes the finishing and converting of paper into cartons bags, envelopes, and other similar products.			
<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	B	25
<u>PHOTOGRAPHIC</u>			
Automatic film processing equipment including the 1-hr photo type	19	C	9
Self-service digital input photo equipment.....	19	C	6
<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

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<u>MAJOR CATEGORY</u>	<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-engravings, and electrotyping. <u>Note:</u> EDP and other Computer equipment used in publishing should be listed and appraised separately.			
<u>PROFESSIONAL EQUIPMENT (MISCELLANEOUS)</u>	18	B	10
Architects, accountants, engineers, photographic studio equipment, Taxidermists, Hobby & Craft Shops, Graphic Design Illustrations, etc.			
<u>PROFESSIONAL LIBRARIES</u>	25	O	
Accountants, architects, engineers, law, medical, etc. <u>Note:</u> 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
Vacuum Cooling Stationary	18	B	10
Vacuum Cooling Portable	18	B	8
* <u>RENTAL EQUIPMENT</u>	26	P & Q	5
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, leased furniture & fixtures, etc. These schedules are also for property which is typically rented on an hourly or daily basis.			
<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>			
10 - 25 Tons	17	A	20
Less than 10 Tons	17	A	10
Portable	17	A	10

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<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>SCHOOL EQUIPMENT</u>	20	D	10
<u>SCRAP METAL</u>	17	A	10
Equipment used in the cutting, wrecking, and storing of scrap metals.			
<u>SIGNS AND BILLBOARDS</u>	25	O	
<u>Billboards (whether on or off premises):</u>			
Use the "Billboard Structures Valuation Guide"			
Link: www.dornrc.com/publications/billboard/index.html			
<u>Signs (other than billboards):</u>			
On and off premise signs erected for the purpose of information and direction. 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>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.			
<u>STORE EQUIPMENT (RETAIL, WHOLESALE, AND SUPPLY)</u>			
General merchandise stores, building materials stores, hardware, apparel and accessory stores, furniture, home furnishings, equipment and supply, jewelry, miscellaneous retail, wholesale, and supply store equipment, food stores, grocery, etc			
	20	D	10
POS equipment, proprietary computerized point-of-sale units. Including peripherals and hand held computers. Includes electronic cash registers. Does not include actual PC's used as POS terminals or computers acting as servers, which should be appraised as data processing equipment			
	20	D	6

* indicates a change from last year



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>STRAIGHT LINE SCHEDULES</u>	24	N	
When using the straight line schedules, a residual value of 25% remains in effect unless variation is indicated by the property being appraised.			
<u>TELECOMMUNICATIONS SWITCH MANUFACTURING</u>			
Switch manufacturing equipment.....	28	U	8
Switch testing equipment.....	28	U	6
<u>TESTING EQUIPMENT</u>	26	R	8
Includes equipment used in research and development.			
<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
 Note: For idle equipment see Index page 9.			
<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	O	2 - 7
Special tools are defined as tools used in manufacturing, such as molds, dies, and jigs which are specifically designed for the production or processing of particular parts and have no significant utilitarian value and cannot be adapted to a further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. This category does not include general-purpose small tools. 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, and Motorcycles.			

* indicates a change from last year



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>VENDING EQUIPMENT</u>			
Amusement (Bowlers, Pin Ball, Pool, Kiddie Rides, Hobby Horses, etc.).....	25	O	5
Automatic Bulk Ice Vending Machines.....	18	B	8
Cigarette Vendors.	25	O	6
Food Vendors (Soft Drink, Candy, Hot and Cold Foods, Popcorn etc.)	25	O	5
Music Machines.....	25	O	6
Miscellaneous (Change, Newspaper, Photo, Stamps, * Breathalyzer, Cellphone Analysis ATM Machine, etc.)	25	O	6
Movie/Game Vending Machines	25	O	6
Leased Ice Machines	25	O	6
<u>WAREHOUSE MATERIALS HANDLING EQUIPMENT</u>	17	A	10
Forklifts & Pallets			
<u>WASTE MANAGEMENT</u>	18	B	8
Includes assets and equipment used in the collection and management of household garbage and similar waste. Includes greenbox containers, toters, and similar equipment.			
<u>WIRE PRODUCTS MANUFACTURING</u>	17	A	14
Establishments primarily engaged in the manufacture of wire.			
<u>WOODWORKING EQUIPMENT</u>	20	F	10

* indicates a change from last year

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		State of North Carolina										Page 17				
		Department of Revenue										Effective 1/1/2016				
		Property Tax Section														
Schedule A Valuation Table Historical (Original) Cost Percent Good Factors																
Year		Trend	Life in Years													
Acq'd	Age	Factor	3	5	6	8	9	10	11	12	14	15	16	17	18	20
2015	1	1.00	67	80	83	87	89	90	91	92	93	93	94	94	94	95
2014	2	1.02	34	61	68	77	81	82	84	85	88	89	89	90	91	92
2013	3	1.04	25	42	52	66	70	73	76	78	82	83	84	85	86	88
2012	4	1.05		25	35	53	59	63	67	70	75	77	79	80	82	84
2011	5	1.07			25	40	47	54	58	62	68	72	74	76	77	80
2010	6	1.10				28	36	44	48	55	63	66	69	72	74	77
2009	7	1.11				25	25	33	40	47	56	59	62	65	68	72
2008	8	1.12					25	25	30	37	48	53	56	59	63	67
2007	9	1.18							25	30	42	47	52	55	59	65
2006	10	1.21								25	35	40	45	50	53	61
2005	11	1.24									26	33	38	43	48	56
2004	12	1.29									25	26	32	37	43	52
2003	13	1.33										25	25	31	37	47
2002	14	1.35												25	30	41
2001	15	1.35													25	34
2000	16	1.36														27
1999	17	1.37														25
			Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated.													
			This is true for all schedules in this manual.													

2016 Cost Index and Depreciation Schedules

		State of North Carolina					Page 18								
		Department of Revenue					Effective 1/1/2016								
		Property Tax Section													
Schedule B Valuation Table															
Historical (Original) Cost															
Percent Good Factors															
Year	Acq'd	Age	Trend Factor	Life in Years											
				3	5	6	7	8	10	11	12	20	25		
2015		1	1.00	67	80	83	86	87	90	91	92	95	96		
2014		2	1.02	34	61	68	72	77	82	84	85	92	94		
2013		3	1.04	5	42	52	59	66	73	76	78	88	92		
2012		4	1.06		25	35	46	53	64	68	71	85	89		
2011		5	1.08			25	31	40	54	58	63	81	86		
2010		6	1.10				25	28	44	48	55	77	84		
2009		7	1.11					25	33	40	47	72	80		
2008		8	1.12						25	30	37	67	76		
2007		9	1.16							25	29	64	74		
2006		10	1.18								25	59	71		
2005		11	1.20									54	67		
2004		12	1.22									49	63		
2003		13	1.25									44	60		
2002		14	1.26									38	55		
2001		15	1.25									31	50		
2000		16	1.26									25	45		
1999		17	1.26										40		
1998		18	1.26										35		
1997		19	1.26										30		
1996		20	1.26										25		
1995		21	1.29										25		
1994		22	1.31												
1993		23	1.34												
1992		24	1.36												
				Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated.											
				This is true for all schedules in this manual.											

2016 Cost Index and Depreciation Schedules

		State of North Carolina				Page 20					
		Department of Revenue				Effective 1/1/2016					
		Property Tax Section									
Schedules D, E, F, G, Valuation Table											
Historical (Original) Cost											
Percent Good Factors											
		Schedule D			Schedule E			Schedule F		Schedule G	
Year		Trend	Life		Trend	Life	Trend	Life	Trend	Life	
Acq'd	Age	Factor	6	10	Factor	10	Factor	10	Factor	8	
2015	1	1.00	83	90	1.00	90	1.00	90	1.00	87	
2014	2	1.02	68	82	1.02	82	1.03	82	1.02	77	
2013	3	1.04	52	73	1.04	73	1.06	74	1.04	66	
2012	4	1.05	35	63	1.05	63	1.08	65	1.06	53	
2011	5	1.07	18	54	1.07	54	1.11	56	1.08	40	
2010	6	1.09	15	44	1.10	44	1.13	45	1.10	28	
2009	7	1.09		33	1.11	33	1.15	35	1.11	25	
2008	8	1.10		25	1.12	25	1.15	25	1.13		
Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.											

2016 Cost Index and Depreciation Schedules

		State of North Carolina						Page 21					
		Department of Revenue						Effective 1/1/2016					
		Property Tax Section											
Schedules H, I, Valuation Table													
Historical (Original) Cost													
Percent Good Factors													
		Schedule H						Schedule I					
Year		Trend	Life				Trend	Life					
Acq'd	Age	Factor	4	5	10	20	Factor	5	8	10	12		
2015	1	1.00	75	80	90	95	1.00	80	87	90	92		
2014	2	1.01	51	61	81	91	1.00	60	75	80	83		
2013	3	1.02	26	41	71	87	1.00	40	63	70	75		
2012	4	1.03	25	25	62	82	1.01	25	51	61	68		
2011	5	1.04			52	78	1.00		37	50	58		
2010	6	1.07			43	75	1.00		25	40	50		
2009	7	1.08			32	70	1.00			30	42		
2008	8	1.09			25	65	0.98			25	32		
2007	9	1.13				62	0.97				25		
2006	10	1.14				57	0.96						
2005	11	1.18				53	0.96						
2004	12	1.20				48	0.96						
2003	13	1.22				43	0.94						
2002	14	1.22				37	0.95						
2001	15	1.22				31	0.95						
2000	16	1.22				25	0.96						
1999	17	1.22					0.97						
1998	18	1.22					0.98						
Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.													

2016 Cost Index and Depreciation Schedules

		State of North Carolina								Page 22				
		Department of Revenue								Effective 1/1/2016				
		Property Tax Section												
Schedules J, K, L, Valuation Table														
Historical (Original) Cost														
Percent Good Factors														
		Schedule J				Schedule K				Schedule L				
Year		Trend	Life			Trend	Life			Trend	Life			
Acq'd	Age	Factor	5	8	10	Factor	5	10		Factor	5	6	14	16
2015	1	1.00	80	87	90	1.00	80	90		1.00	80	83	93	94
2014	2	1.01	61	76	81	1.03	62	82		1.01	61	68	87	88
2013	3	1.02	41	64	71	1.06	42	74		1.02	41	51	81	83
2012	4	1.03	25	52	62	1.07	25	64		1.02	25	34	72	77
2011	5	1.05		39	53	1.09		55		1.04		25	67	72
2010	6	1.06		27	42	1.11		44		1.05			60	66
2009	7	1.07		25	32	1.12		34		1.05			53	59
2008	8	1.09			25	1.13		25		1.05			45	53
2007	9	1.13				1.17				1.05			38	46
2006	10	1.15				1.17				1.05			30	39
2005	11	1.19				1.17				1.12			25	35
2004	12	1.23								1.12				28
2003	13	1.25								1.05				25
										1.05				
										1.05				
Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.														

2016 Cost Index and Depreciation Schedules

	State of North Carolina						Page 23	
	Department of Revenue						Effective 1/1/2016	
	Property Tax Section							
Schedule M								
Portable Bank Vaults, Vault Doors, Additions, Inner Gates, Vent Fans, Etc.								
			Pct.				Pct.	
	Age	Depreciation	Good		Age	Depreciation	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 the same as the main building. The						
		depreciation factors above should only be used when this						
		property is not included in the building valuation.						

2016 Cost Index and Depreciation Schedules

	State of North Carolina					Page 25			
	Department of Revenue					Effective 1/1/2016			
	Property Tax Section								
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.									
BILLBOARDS - Refer to the "Billboard Structures Valuation Guide".									
Link: www.dornnc.com/publications/billboard/index.html									
SIGNS (other than billboards)							Life years 10 - 20		
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	O	5
Cigarette Vendors.....									
							25	O	6
Food Vendors (Soft Drink, Candy, Hot and Cold Foods, Popcorn etc.).....									
							25	O	5
Music Machines.....									
							25	O	6
Miscellaneous (Change, Newspaper, Photo, Stamps etc.).....									
							25	O	6
Movie/Game Vending Machines.....									
							25	O	6
Leased Ice Machines.....									
							25	O	6
Use straight line schedule for the correct life years. (Schedule N)									

2016 Cost Index and Depreciation Schedules

	State of North Carolina									Page 27			
	Department of Revenue									Effective 1/1/2016			
	Property Tax Section												
Schedule T Valuation Table													
Historical (Original) Cost													
Percent Good Factors													
			Year	Age	Trend	Life Years			Year	Age	Trend	Life Years	
			Acq'd	Yrs	Factor	18	28	50	Acq'd	Yrs	Factor	28	50
			2015	1	1.00	94	96	98	1990	26	1.82		88
			2014	2	1.01	89	93	97	1989	27	1.89		87
			2013	3	1.02	85	91	96	1988	28	1.95		86
			2012	4	1.05	81	90	96	1987	29	2.00		84
			2011	5	1.05	76	86	95	1986	30	2.04		82
			2010	6	1.10	74	87	97	1985	31	2.06		78
Note: The 50-year			2009	7	1.22	75	92	105	1984	32	2.13		77
life schedule increases			2008	8	1.27	70	91	106	1983	33	2.29		78
because the positive			2007	9	1.35	67	91	110	1982	34	2.44		78
trend is greater than			2006	10	1.38	61	89	110	1981	35	2.51		75
the 2 percent annual			2005	11	1.41	55	86	110	1980	36	3.00		84
straight line depreciation			2004	12	1.42	47	81	108	1979	37	3.27		85
rate. The 18 and 28-yr life			2003	13	1.41	39	76	104	1978	38	3.42		82
schedules may have an			2002	14	1.44	32	72	104	1977	39	3.66		81
increasing trend in some			2001	15	1.45	25	67	102	1976	40	4.15		83
years as well.			2000	16	1.47		63	100	1975	41	4.34		78
			1999	17	1.50		59	99	1974	42	5.14		82
			1998	18	1.52		54	97	1973	43	5.33		75
			1997	19	1.52		49	94	1972	44	5.55		67
			1996	20	1.57		45	94	1971	45	5.91		59
			1995	21	1.60		40	93	1970	46	6.35		51
			1994	22	1.62		35	91	1969	47	6.65		40
			1993	23	1.64		29	88	1968	48	6.95		28
			1992	24	1.67		25	87	1967	49	7.23		25
			1991	25	1.75		25	87	1966	50	7.26		

