

# Business Equipment Valuation

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## General

Assessors value most machinery and equipment using business property valuation factors. Some valuation factors are derived by combining price index factors with percent good factors, while other valuation factors result from valuation studies. A value indicator is obtained by multiplying a property's historical cost by an appropriate value factor.

[Section 401.5](#) provides that the BOE shall issue information that promotes uniformity in appraisal practices and assessed values. Pursuant to that mandate, the BOE annually publishes [Assessors' Handbook Section 581, Equipment and Fixtures Index, Percent Good and Valuation Factors \(AH 581\)](#).

For additional information regarding the business equipment valuation, refer to [Assessors' Handbook Section 504, Assessment of Personal Property and Fixtures \(AH504\)](#).

## Scope of Review

The BOE's assessment practices survey team evaluates the assessor's practices and procedures for valuing business equipment.

The specific areas of review may include, but are not limited to, the following:

- **General Program Elements**
- **Valuation, Factors, and Lives**
- **Classification**
- **Situs**
- **Business Inventory Exemption**
- **Supplies**
- **Trade Level**