



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
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No. 2006/028

July 14, 2006

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

VALUATION FACTORS PROJECT

County assessors are charged with the assessment of locally assessed real and personal property for taxation purposes. The State Board of Equalization (BOE) is mandated by section 401.5 of the Revenue and Taxation Code to promulgate guidance for county assessors to follow when valuing locally assessed property. In an effort to meet that mandate, the BOE annually publishes Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors* (AH 581). Among other data, AH 581 contains tables of valuation factors for non-production computer equipment, semiconductor manufacturing equipment, and biopharmaceutical industry equipment and fixtures.

Staff of the Assessment Policy and Standards Division of the Property and Special Taxes Department is commencing a project to conduct studies to develop valuation factors for biopharmaceutical equipment and fixtures, non-production computer equipment, and semiconductor manufacturing equipment. The studies are being funded through additional budget authority received by BOE pursuant to the adopted 2006-07 state budget. It is anticipated that these studies will be conducted over the next two years.

An interested parties meeting will be held on August 7, 2006 at the Board's headquarters, 450 N Street, Sacramento, in Room 122, from 10:00 a.m. to 12:00 noon. The purpose of the meeting is to advise interested parties of the proposed scope of the studies and to seek assistance and data. Please advise Ms. Sherrie Kinkle at sherrie.kinkle@boe.ca.gov if you plan to attend the August 7 meeting.

This letter and all future documents regarding this project are posted on the Board's website at www.boe.ca.gov/proptaxes/valuation.htm.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

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