

Personal Property Valuation

Standards of Practice

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Section V.I

General Information

Purpose

These standards provide a reference to accepted procedures for the administration of a locally assessed personal property program. They consist of generally accepted industry practices for the valuation and assessment of taxable personal property. Conforming to these standards furthers uniformity and statutory compliance.

NOTE: Forms associated with these standards are listed in Appendix D – Referenced Forms and can be found at the following location:

<http://propertytax.utah.gov/index.php/information/standards-of-practice>

Scope

These standards provide recommendations for defining, discovering, classifying, reporting, verifying and valuing personal property for ad valorem tax purposes except registered property subject to uniform fees or taxes under Sections 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2 and personal property assessed by the Utah State Tax Commission (Commission).

These standards are not intended to instruct the user in the valuation of specific items of personal property. The International Association of Assessing Officers (IAAO) and other professional organizations offer courses, seminars, and books on personal property valuation.

Constitutional Authority

“All tangible property in the state, not exempt under the laws of the United States, or under this Constitution, shall be taxed at a uniform and equal rate in proportion to its value, to be ascertained as provided by law.” [Constitution of Utah, Article XIII, Section 2(1)]

“The Legislature may by statute exempt the following from property tax: . . . tangible personal property that, if subject to property tax, would generate an inconsequential amount of revenue.” [Constitution of Utah, Article XIII, Section 3 (2) (a) (vi)]

Definitions

The applicable definitions in the Utah Code and the Administrative Rules of the Commission will apply to the personal property standards. The following are definitions of frequently used terms.

Accrued Depreciation. The difference between reproduction or replacement cost new of a property and its market value as of the date of appraisal. (*Property Assessment Valuation, IAAO, p. 157*)

Acquisition Cost. Acquisition cost must include all costs required to put an item of tangible personal property into service; these costs include:

1. The purchase price for a new or used item;
2. The cost of freight and shipping. Shipping costs includes, loading at origin, unloading at destination, crating, skidding and other applicable costs;
3. The cost of installation, engineering, erection, or assembly. Erection and assembly includes foundations, pilings, utility connections and any other costs.

4. Sales and use taxes.
5. All other costs related to putting a personal property into service are to be included in acquisition costs.

Arm's Length Transaction. A transaction arrived at in the open market by unrelated parties under no duress. (The Dictionary of Real Estate Appraisal, p. 18)

County Assessor. A locally elected official whose function is to value and list taxable property in the county for property tax purposes. Property valued by the assessor includes all taxable property not assessed by the State Tax Commission. The Commission assesses all property which operates as a unit across county lines such as the property of public utilities, airlines and air charter services, geothermal resources, mines and mining claims, and machinery used in mining.

Depreciation. The loss from the upper limit of value, from all causes, of property having a limited economic life. (*Property Assessment Valuation, IAAO, p. 157*)

Fair Market Value. The most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arm's length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which the property is adapted and for which it is capable of being used. (*Property Assessment Valuation, IAAO, p. 21*)

Fair Market Value (in Continued) Use. The American Society of Appraisers (ASA), qualifies the above definition specifically for personal property. "Fair Market Value (in Continued) Use is the estimated amount expressed in terms of money that may reasonably be expected for a property in exchange between a willing buyer and a willing seller with equity to both, neither being under any compulsion to buy or sell and both being fully aware of all relevant facts, and including installation and assuming that the earnings support the value reported." (*The M&E Appraiser, Vol.8 Number 2*)

Fixed Assets. Assets used in the production or sale of other assets or services having a useful life longer than one accounting period are called "plant and equipment" or "fixed assets". (*Fundamental Accounting Principles, p. 339*)

Highest and Best Use. An appraisal concept requiring that each property be valued as though it were being put to its most profitable use, given probable legal, physical, and financial constraints. This concept is particularly important in determining the appropriate level of trade at which to appraise.

Historical Cost. The actual cost (or first cost), of the property at the time it was originally constructed and placed in service. (*Appraising Machinery and Equipment, American Society of Appraisers (ASA), 1989, p.60*)

Intangible Personal Property. Intangible personal property includes representations of rights to property; for example, money, shares, annuities, patents, stocks, bonds, notes receivable, insurance policies, accounts receivable, licenses, franchises, money market certificates, certificates of deposit and copyrights. (IAAO, "Standard on Valuation of Personal Property")

Item of Taxable Tangible Personal Property. An item of taxable tangible personal property means a piece of equipment, machinery, furniture or other piece of tangible personal property that is functioning at its highest and best use for the purpose it was designed and constructed and is generally capable of performing that function without being combined with other items of personal property. An item of taxable tangible personal property is not an individual component part of a piece of machinery or equipment, but the piece of machinery or equipment. For

example, a fully functioning computer is an item of taxable tangible personal property, but the motherboard, hard drive, tower or sound card are not.

Leasehold Improvements. Improvements or additions to leased real property that have been made by the lessee (tenant). (*The Dictionary of Real Estate Appraisal, p. 180*)

Level of Trade. The term given to the production and distribution stages of a product. Three are recognized: the manufacturing level, the wholesale level, and the retail level. “Incremental costs (such as freight overhead, handling, and installation) are added to a product as it advances from one level of trade to the next, thereby increasing its value as a final product. The value of goods will differ depending on the level of trade.” (7.1 IAAO “*Standard on Valuation of Personal Property*”, 1985)

Original Cost. The actual cost to the present owner, who may have purchased the property at a price more or less than the historical cost (or first cost).

Outdoor Advertising Structures. Any sign structure, including any necessary devices, supports, appurtenances, and lighting that is part of or supports an outdoor sign. Outdoor advertising structures are classified as personal property. (Section 59-2-102)

Percent Good. The percentage applied to original cost or cost new to compute fair market value. It is derived from IRS economic life estimates and the Marshall and Swift national costing service.

Proportional Assessment. An assessment based on the portion of the tax year a property has taxable situs in the state of Utah.

Replacement Cost New. The cost required to replace a property unit with a new one of like utility in today’s market. (*Assessment of Personal Property, Student Reference, IAAO, p. 6-5*)

Reproduction Cost New. The amount necessary to build an exact replica of the property unit. (*Assessment of Personal Property, Student Reference, IAAO, p. 6-5*)

Salvage Value. The amount expressed in terms of money that may be expected for the whole property or a component of the whole property that is retired from service for use elsewhere. (*ASA, The M&E Appraiser, Vol. 8 Number 2*)

Scrap Value. The amount expressed in terms of money that could be realized for the property if it were sold for its material content, not for a productive use. (*ASA, The M&E Appraiser, Vol. 8 Number 2*)

Situs. The appropriate location of property for purposes of assessment and taxation. Personal property is usually assessed in the jurisdiction where it is permanently located or regularly used.

Tangible Personal Property. Tangible personal property includes material items such as animals, water craft, aircraft, motor vehicles, furniture and fixtures, machinery and equipment, tools, dies, patterns, and stock in trade (including inventories, supplies, materials in process, and other similar items). (IAAO “*Standard on Valuation of Personal Property*,” 1985) Also, personal property includes outdoor advertising structures. (Section 59-2-102)

Tax Area. A unique geographic area created by the overlap of a group of taxing entities.

Taxing Entity. Any governmental entity such as a county, school district, city, town, water district or other special taxing district which is empowered to levy property taxes.

Transitory Personal Property. A class of personal property that is used or operated primarily at a location other than a fixed place of business of the property owner or lessee. (R884-24P-65)

The Utah State Tax Commission (Commission). A constitutional body, comprised of four commissioners, charged with the administration and supervision of all state tax laws. The Commission advises and directs all county officials in the assessment, equalization and collection of taxes. The Commission is the final administrative tribunal for all appeals from county boards of equalization decisions. It also hears appeals stemming from all Property Tax Division staff assessments and actions.

Value-In-Exchange. Value-in-exchange is the value that a typical buyer, in a typical market would pay for equipment that will have to be removed and reinstalled. This value is based on comparison to other substitute goods and services in a competitive market. (*Appraising Machinery and Equipment, American Society of Appraisers, (ASA) 1989, p. 168*)

Value-In-Use. “Value-in-use is the amount, expressed in dollars, that the property is worth to the user and may be based on the item’s capability of producing a product or part of a product as a measured percentage of profit; ...value to the user on a required personal basis.” (*Appraising Machinery and Equipment, ASA, 1989*)

Section V.II

Theory and Concepts

Property vs. Real Property

Real estate is the land and everything permanently attached to it. Personal property is not real estate; it is all movable items not permanently affixed to or part of real estate. The courts generally concur that personal property becomes real property if it is affixed in a way that it loses its original condition. Four common tests are:

- the manner in which it is affixed to the real property,
- the intention of the person who put the item in place,
- the purpose for which the premises are used, and
- whether the item may be removed from the real estate without damage to either.

Personal Property Defined In Utah. Utah statutes define personal property to include:

- every class of property that is the subject of ownership and not included within the meaning of the terms “real estate” and “improvements”;
- gas and water mains and pipes laid in roads, streets, and alleys;
- bridges and ferries;
- livestock which, for the purposes of the exemption provided under Section 59-2-1112, means all domestic animals, honeybees, poultry, fur bearing animals, and fish; and
- outdoor advertising structures

In Utah, certain items of property are treated as personal property that would otherwise be classified as real estate; i.e., bank vaults, pneumatic tubing at drive up for banks, safety deposit boxes, night deposit boxes at banks, floor safes, drive-up teller windows, carpet, overhead cranes, brick kilns and ovens, underground gasoline tanks, walk-in coolers, signs and flagpoles.

Administrative Rule R884-24P-32 provides that leasehold improvements “shall be included in the value of underlying real property and assessed to the owner of the underlying real property.”

To be certain that all property is appraised, the assessor should check the real property record card.

Taxable vs Exempt Personal Property

All personal property is taxable unless specifically exempted by the Utah Constitution. For a detailed listing and explanation of all exempt personal property, refer to the Commission’s standard on exempt property entitled, “*Property Tax Exemption Standards.*”

The 2006 Legislature passed a House Joint Resolution that was subsequently approved by voters, which amended the Utah Constitution authorizing the legislature to provide a property tax exemption for tangible personal property that would generate an inconsequential amount of revenue. [Constitution of Utah, Article XIII, Section 3 (2) (a) (vi)] Accompanying the resolution to amend the Constitution was legislation (effective January 1, 2007) exempting a taxpayer’s taxable tangible personal property from personal property assessment and taxation “if the total

aggregate fair market value of the taxpayer's taxable tangible personal property is \$3,500 or less”.

Beginning January 1, 2014, the taxable tangible personal property tax exemption increased significantly to \$10,000; to receive this exemption, the taxpayer shall apply for the exemption every year. Each year, beginning on January 1, 2015, the \$10,000 is to be increased by the percentage increase in the consumer price index up to the nearest \$100 increment. “Taxable tangible personal property” does not include personal property required to be registered with the state before it is used on a public highway, waterway, public land or in the air as well as mobile and manufactured homes”. (Section 59-2-1115)

Total aggregate fair market value is determined by aggregating the fair market value of all taxable tangible personal property owned by a taxpayer within a county. If this personal property is required to be apportioned among more than one county, the determination of the total aggregate fair market value is to be made after the apportionment to the counties. In addition, the taxpayer must apply for the exemption; the exemption is not automatically granted. (R884-24P-68)

In addition, under Section 59-2-1115 an item of taxable personal property is exempt from property taxation except for an item of non-capitalized personal property as defined in Section 59-2-108, if that personal property item has:

1. an acquisition cost of \$1,000 or less;
2. reached a percent good of 15% or less, or
3. reached a residual value of 15% or less in a personal property schedule.

Military Benefits

When a military service member is transferred from home to live in another state, federal law allows that the service member neither loses nor acquires a domicile for purposes of personal property taxation by reason of being in Utah solely in compliance with military orders. A recent change to that law extends the same benefit to the military service member's spouse; however, the nonresident spouse **MUST** have had the same domicile as the nonresident service member prior to moving to Utah. For Utah personal property tax purposes, the spouse of a nonresident military service member is treated in the same manner as the nonresident service member. If the owner of a vehicle is a nonresident service member stationed in Utah under military orders and the vehicle is not registered in the owner's state of domicile, the vehicle must be registered in Utah but the owner is excluded from having to pay the statewide uniform fee on the vehicle; this procedure would also apply to the service member's spouse. Evidence must be presented to the county assessor when the nonresident service member/spouse applies for tax clearance, such as a letter from the commanding officer or a Leave and Earnings Statement (LES), to establish that the nonresident is in military service in Utah. Also, the spouse must provide evidence that he or she is married to a nonresident military service member.

Market Value vs Taxable Value

With two exceptions, market value equals taxable value for all taxable personal property. Manufactured/mobile homes are one exception. When used as primary residences they are eligible for the residential exemption. The other exception is “qualifying exempt primary residential rental personal property” as defined in 59-2-102. Both exceptions receive the residential exemption. Section 59-2-102 states: “Taxable value means fair market value less any applicable reduction allowed for residential property under Section 59-2-103.”

Appraisal Theory

The three approaches to value—cost, sales comparison, and income—are used to determine the value of personal property. “The degree of dependence on any one of these approaches will change with the availability of reliable data.” (IAAO “Standard on Valuation of Personal Property,” 1985)

Cost Approach

The cost approach provides an estimate of value based on the replacement cost of the property minus depreciation. For personal property, the replacement cost includes freight, installation, taxes, and fees, and all costs to bring the property into working condition. This is the recommended method for mass appraisal purposes.

Sales Comparison Approach

This method analyzes recent sales and offering prices of similar property to arrive at an indication of the most probable selling price of the property being appraised. (American Society of Appraisers, *Appraising Machinery and Equipment*, p.110) This approach must be implemented with care that the property is valued at the proper level of trade, that all attachments and upgrades are considered, and that the sales are at market value and are not liquidation sales. With reliable sales, the adjustment and analysis process is very similar to that used in real estate.

Income Approach

This is a method of estimating the present value of future income by analyzing the payments for leased or rented equipment over the economic life of the equipment. When reliable data are available and economic rent can be determined, the income approach can provide good value estimates. Problems with this method include the difficulty of determining the portion of an operation’s overall income that should be attributed to a single piece of equipment. One must also deduct expenses directly associated with the production of lease revenue such as management and maintenance costs and choose a defensible capitalization rate.

Depreciation

Defined simply, depreciation is any reduction or loss in value. There is a distinction in the concept of depreciation between appraisers and accountants. Both forms of depreciation produce an estimate of loss. Accountants begin with original costs and appraisers with reproduction or replacement costs new as of the date of the appraisal. Another important difference is that accountants use physical life and appraisers use economic life. A long physical life does not mean a long economic life. An asset in satisfactory physical condition may need to be replaced because the cost to maintain it in good operating condition is excessive, or because new technology makes it obsolete and not economical in the current market. In accounting, depreciation is a mathematical procedure for recovering the original cost over time. Depreciation is charged as an expense against income and becomes a part of the product or service. In appraising, depreciation is the actual loss in value or worth of a property item from age and obsolescence. Appraisal depreciation falls into three main categories: physical, functional and external or economic.

Valuation Schedules and Guides

The valuation schedules and guides developed by the Property Tax Division are based on the concepts of depreciation that appraisers use because they account for normal losses in value,

from all causes, based on the economic life of the property. Most of the schedules contain tables of percentages that adjust cost new or acquisition cost for depreciation and appreciation. They are commonly referred to as “percent-good” tables and are located in Administrative Rule R884-24P-33.

Section V.III

Standards of Practice

Standard 5.1 Discovery

5.1.0 Discovery

Discovery is a general term meaning both the discovery of personal property and the discovery of businesses containing the personal property to be assessed. Both are required in the assessment process.

5.1.1 Business Discovery

The assessor cannot discover taxable personal property without first locating and contacting the business or owner of the property. There are several ways to discover new or existing businesses that may have taxable property.

Business licenses

Within 60 days, cities and counties are required to provide information to the county assessor from all business license applications. (Section 10-1-203 and Section 17-53-216) Many municipalities have the new business owner complete an information sheet provided by the assessor's office concurrently with the business license application.

Telephone listings

Business listings, both hard copy and electronic, are available for assessor review. Since most businesses of note have a listed telephone, this source is good for verifying that all existing businesses are discovered.

Physical inspection or canvass

By physically noting each business in an organized, prescribed geographic area, the assessor can verify that all businesses are discovered. However, this is a more expensive method because of the extra time involved.

Professional listings

Membership listings in such organizations as the Chamber of Commerce and governmental listings such as occupational licensing can be a source of new or undiscovered existing businesses.

Miscellaneous sources

Newspaper advertisements, business cards, UCC filings, and a review of annual statements filed by leasing companies.

Sales Tax listings

Check the listing of new sales tax accounts.

5.1.2 Property Discovery

Once the business has been discovered, there are several ways to "discover" the property. These methods are listed here, and expanded upon in *Standard 5.4, Reporting*:

Self-declaration

The majority of Utah businesses are requested by the assessor to declare property by means of a signed statement (Section 59-2-306). The signed statement is explained in more detail in Standard 5.4, Reporting. Samples are provided in Appendix 5D

Audit methods

Physical inspection, desk audit, telephone audit and correspondence audit are audit methods. These methods are described in more detail in Standard 5.6, Auditing.

UCC-1 Filings

UCC-1 filings are filed with the Utah State Department of Commerce. These documents secure loans on personal property.

5.1.3 Discovery of Transitory Personal Property

Transitory personal property is property (not including motor vehicles) that is normally moved to various locations as a condition of its use; e.g., construction equipment. Transitory personal property may have situs in more than one tax area. However, if property tax has been paid for the transitory personal property and that property is subsequently moved to another county in Utah, then no additional assessment may be imposed by the county to which the property is subsequently moved. Additionally, no portion of the assessed tax is to be transferred to the county in which the property is subsequently moved. (R884-24P-65)

Interstate

When transitory personal property enters the state of Utah, the owner or owner's agent is required to immediately secure, complete, sign and file a personal property statement with the assessor of the county in which the property is located. If the report is not filed, the property owner is subject to a penalty equal to 50% of the tax due. (Section 59-2-402) Special attention should be given to construction projects, new subdivisions, public works projects and water and oil drilling projects. When contacting construction, drilling or other contractors, the assessor should immediately determine if the company is a Utah-based company or a company that is based out of state. This will assist in determining what transitory personal property has situs in the county. (*See Standard 5.3, Situs and Assessment*)

County to County

The methods used to discover transitory personal property moving from county to county are similar to those used for most other types of personal property.

5.1.4 Discovery of Leasehold Improvements

The assessor should develop procedures to discover leasehold improvements. Administration Rule R884-24P-32 require leasehold improvements to be assessed as real property. The only exception is a leasehold improvement to exempt real property; in this case, the leasehold improvements are assessed as personal property to the tenant.

Guideline

Counties having separate personal and real property valuation departments should make every effort to share information to expedite discovery and valuation of leasehold improvements. When possible, copies of lease agreements containing leasehold improvements should be obtained.

Standard 5.2 Identification

5.2.0 Identification

Identification is a logical extension of discovery. Once property is discovered it must be described or identified for valuation and tax purposes.

The assessor must have a system that identifies all locally-assessed businesses with a unique identification number or code assigned to each account. The number assigned to the property by the manufacturer can be used to identify mobile homes. In addition, property address, and manufactured/mobile home park name and space (lot) number should be included. The property file should have the real property serial number of the parcel where the manufactured/mobile home is located, if the assessor attaches the taxes to the real estate.

5.2.1 Mobility

The system should take into account the mobility of personal property. When personal property moves with the owner, the account number should remain the same, even though the owner may move to a new tax area. If property is sold, a new account number should be assigned to the new owner. In addition to the account number, the file should contain real property serial numbers for the parcels where the personal property is located for cases where the assessor attaches the taxes to the real estate.

Standard 5.3 Situs and Assessment

5.3.0 Determination of Situs for Personal Property

In general, all taxable property should be assessed where the property is located on January 1. With the exception of transitory personal property, such as non-licensed construction equipment, this procedure applies to all types of locally-assessed personal property.

5.3.1 Situs and Assessment of Intrastate Personal Property

If the property has not been assessed, the assessor in the county where the property is located after January 1 shall list and assess the property as if it had been in the county on the lien date. (Section 59-2-401) Proportional assessments are not made on taxable personal property entering a county from another county after January 1. Assessment is made and taxes are collected for the entire year.

5.3.2 Situs and Assessment of Interstate Transitory Personal Property

Transitory personal property, which is located in the state on January 1, is to be assessed at 100% of fair market value. Exceptions include registered vehicles with a gross laden weight of 27,000 pounds or less, and vehicles that are registered and licensed in another state or property acquired during the year.

Transitory personal property brought into the state any time after January 1 is subject to a proportional assessment when it has been in the state for 90 consecutive days in a calendar year. The determination of whether transitory personal property has been in the state for 90 consecutive days is to include the days the property is outside the state if, within 10 days of its removal from the state, the property is either brought back into the state or substituted with transitory personal property that performs the same function. The proportional assessment is based on the length of time the property is in the state. It is to be proportionally assessed for the period beginning on the first day of the month in which the property was brought into Utah and for the number of months remaining in the calendar year. (R884-24P-65) Proportional property taxes may be assessed on property brought into the state after January 1, even if the property

has been valued and taxed in another state. In no event may the minimum assessment be less than 25% of the full year's assessment. (Section 59-2-402)

In order to satisfy due process requirements, the tax imposed must have a relationship to the opportunities, benefits or protection conferred or afforded the taxpayer by the taxing jurisdiction. For example, if property taxes are paid to another state for a full year on transitory personal property that is brought into Utah after January 1, and the property remains in a Utah county for six months, the Utah county must assess and collect taxes on the property for the six-month period. It is the responsibility of the owner of the property to obtain reimbursement for taxes paid to the other state for the six months the property was located in Utah.

Personal property not having situs established in another state may be assessed and taxed by the Utah jurisdiction where the owner is domiciled.

5.3.3 Refund of Transitory Personal Property Tax

An owner, who has paid property tax on and subsequently removes the transitory personal property from the state prior to December, may qualify for a refund. The refund would be based upon the number of months remaining in the calendar year at the time the property is removed from the state for which the [proportionally-assessed] tax has been paid. Any portion of a month remaining is to be counted as a full month. This refund provision applies to both transitory personal property located in the state on January 1 and transitory personal property that was located in the state after January 1 and thus subject to proportional assessment. (R884-24P-65)

Standard 5.4 Reporting

5.4.0 By Signed Statement

The assessor should require a signed statement setting forth all assessable personal property which is owned, possessed, or under the control of an individual at noon on January 1.

5.4.1 Guideline

Statements should be sent to the taxpayer as close to January 1 as possible. Generally, all personal property statements are to be filed in the assessor's office on or before May 15th. For a first class county, the signed statement is to be filed on the later of May 15 or 60 days after requested by the assessor. If a county assessor requires a signed statement on or after March 16th, the signed statement is to be filed within 60 days after requested by the assessor (Section 59-2-306). Returning signed statements on a timely basis allows the assessor to meet a tight schedule for updating and completing the assessment roll. Statements for new accounts may be sent to taxpayers throughout the year as property is discovered. Instructions for completing the statement and reference to statutory requirements for interest and penalties should accompany the statement.

5.4.2 Required Information on the Signed Statement

The statement should identify all taxable personal property belonging to, claimed by, or in the possession, control, or management of the person, firm or corporation.

The following should also be included on the signed statement:

- Specific account number.
- County and tax area where the property is located.
- Street address where the property is located.

- Real property parcel identification number where the property is located if the assessor attaches the taxes to the real estate.
- Owner's name and mailing address.
- Property description using property class nomenclature, e.g., short-life trade fixtures (see Appendix 5C).
- Year of acquisition for each class of property.
- Acquisition cost for each year and class of property.
- Space to insert the percent good for each class of property by year of acquisition.
- Property description guide and percentage good guide to assist in filling out these respective property attributes.
- Space to compute the taxable value for each class of property and a total value for all property.
- Information on leased property to include: (a) a description of leased property, (b) the lease term, (c) the name and address of the lessor, (d) the offered selling price of leased property, and (e) the annual rent of leased property.
- Type of business, e.g., dentist, service station, motel, etc.
- Business license number.
- Sales tax number.
- Federal Identification Number (FIN).
- Signature of person filing the statement and business telephone number.
- Date.
- Date the statement is due.
- Place for Construction Work in Progress (CWIP) and instructions.

5.4.3 Guideline

In addition to the above, property owners should be notified that if the signed statement is not filed, an estimate of property value will be made and that the estimated value cannot be appealed. (See *Standard 5.4.8 Taxpayer Noncompliance, Estimate of Value and Penalties*)

Information for property that is owned may be given in total amounts by year of acquisition and class of property. For example, various types of office furniture were purchased in 2007: two desks for \$200 each, three chairs for \$50 each, and one table for \$100. The signed statement would identify class five property acquired in 2007 at a cost of \$650.

5.4.4 Leased Property

The owner/lessor of all leased property is responsible for reporting that property on a signed statement. Though a lessee may not be required to pay the property tax on leased property, they should still report it on the signed statement under "leases."

Where a lease is in fact a conditional sales agreement with a security interest, the owner of record is the lessee and it is ultimately the lessee's responsibility to pay the property tax on the property. A transaction is a purchase agreement if it meets any of the following conditions:

- The original term of the lease or security interest is equal or greater than the remaining economic life of the goods.
- The lessee is bound to become the owner of the goods.
- The lessee has an option to renew the lease for the remaining economic life of the goods for no additional consideration or nominal additional consideration upon compliance with the lease agreement.
- The lessee has an option to become the owner of the goods for no additional consideration or nominal consideration upon compliance with the lease agreement. (State Tax Commission Advisory Opinion 96-125)

The county assessor may require a leasing company to provide a list of conditional sales agreements with a security interest to the assessor in statement form. (State Tax Commission Advisory Opinion 98-073)

5.4.5 Assessor Subpoena Power

Each assessor may subpoena and question any person in any county in relation to any signed statement, but may not require that person to appear in a county other than the county in which the subpoena is served. (Section 59-2-306)

5.4.6 Assessor's Disclosure of Property Information

If the signed statement discloses property in another county, the assessor must send a certified copy to the assessor in each county in which the property is located. (Section 59-2-307)

5.4.7 Commission Approval of Forms

Personal property statements and self-assessing forms should be approved by the Commission prior to use. (Section 59-1-210)

5.4.8 Taxpayer Noncompliance, Estimate of Value and Penalties

Any person who fails to complete a signed statement or to appear and testify when requested by the assessor shall be charged a penalty equal to 10% of the estimated tax due, but not less than \$25 for each refusal. A penalty may not be assessed for failure to file a personal property statement until the assessor has made a second request for the statement and informs the owner of the consequences of not filing the statement. The subsequent request and notice must be made by mail to the last known address of the record owner. The penalty may not be imposed until 30 days after the taxpayer has received the request on or after March 16 or by a county assessor of the first class. The penalty may not be waived or reduced by the assessor, county board of equalization, or the county commission unless made pursuant to a formally adopted county ordinance or Tax Commission Administrative Rule. (Section 59-2-307)

If any person after demand made by the assessor, neglects or refuses to give the signed statement required under Section 59-2-306, the assessor shall make a written record of the refusal and make an estimate of the value of the property of that person based on known facts and circumstances. The value fixed by the assessor may not be reduced by the county board of equalization or by the Commission. (Section 59-2-307)

5.4.9 Guideline

Refusal to file a signed statement should be adequately documented by the assessor. Estimates of value must be reasonable. Estimates should be based on known facts and circumstances and should not be arbitrary or capricious. Property owners should be informed of

the estimate in writing and told that the value may not be reduced by the county or the State Tax Commission.

Example

The following is an example of one method that can be used to estimate the value of taxable personal property owned by a non-filing taxpayer:

An attorney is operating a law office and will not file a signed statement or send needed information concerning the taxable personal property. The assessor can research the assessment files for businesses reporting similar property. Based on the information collected, the assessor can support a reasonable estimate of value on the taxable property owned by the attorney.

5.4.10 Penalty for Willful Concealment

If the taxpayer willfully conceals, removes, transfers, or misrepresents any personal property in order to avoid taxation, the assessor shall charge a penalty equal to the tax on the value in question. (Section 59-2-309) Before charging a penalty for willful concealment, the assessor must determine that the elements of fraud are present.

Standard 5.5 Valuation

5.5.0 Method Used in Utah

Taxable value for personal property is determined by application of the valuation schedules and guides prepared by the Property Tax Division and approved by the State Tax Commission. Pursuant to Tax Commission Administrative Rule R884-24P-33, assessors may deviate from the schedules when warranted by local conditions; however, they must document the reasons for deviating from the schedules. Such deviations should be based upon justifiable data to support the deviation and should be reviewed annually. If deviation from the schedules affects an entire class of personal property, a written report documenting the schedule changes must be presented to the State Tax Commission prior to use.

5.5.1 Valuation Schedules and Guides Annual Review

Valuation guides and schedules are reviewed and updated annually by the State Tax Commission. Copies of the proposed schedules are transmitted to assessors and other interested parties for comment. A public comment period and hearing is scheduled each year. (Administrative Rule R884-24P-33)

5.5.2 Valuation

The following categories of personal property are valued based upon acquisition cost multiplied by a percent good:

- Short Life Property
- Computer Integrated Machinery
- Short Life Equipment
- Long Life Trade Fixtures
- Heavy & Medium Duty Trucks
- Medical & Dental Equipment
- Machinery & Equipment

- Railroad Cars
- Computer Hardware
- Heavy Equipment
- Motor Homes
- Semiconductor Manufacturing Equipment
- Long Life Property
- Houseboats & Yachts (31 ft & above)
- Petroleum & Natural Gas Exploration and Production Equipment
- Commercial Trailers
- Leasehold Improvements on Tax Exempt Real Property (see information below)
- Aircraft Parts Manufacturing Tools & Dies
- Electric Power Generating Equipment and Fixtures
- Non-Capitalized Personal Property (see information below)

Most of the percent good schedules are based upon economic life estimates derived by the Internal Revenue Service and Marshall and Swift's Personal Property Cost Index. It is important to note that economic life is not the same as the depreciation period allowed for federal income tax purposes. Straight-line depreciation is allowed based upon the IRS economic life estimates. Each year depreciation is trended to an estimate of replacement cost new using the Marshall and Swift Personal Property Cost Index. This index adjusts for both inflationary and deflationary influences. The schedule for heavy equipment, such as backhoes and loaders is based upon sales data taken from the Green Guide and the Last Bid books.(see Appendix 5C)

5.5.3 Noncapitalized Personal Property Valuation Schedule Class 28

An item of tangible personal property which: (1) has an acquisition cost of \$1,000 or less and (2) for which a deduction is allowed in the year of acquisition (whether actually claimed or not), under IRS Code Section 162 or Section 179, qualifies for the election to be placed in Personal Property Valuation Schedule Class 28. However, certain restrictions apply as listed in Standard 5.5.4.

5.5.4 Noncapitalized Personal Property Schedule Class 28 Restrictions

The following restrictions will apply to personal property classified as "Class 28":

1. A taxpayer electing to classify personal property under Class 28 would need to provide proof of the acquisition cost of the property if selected for state examination in accordance with UCA Section 59-2-306.
2. A taxpayer who elects to classify personal property under Class 28 may not appeal to the county board of equalization the value of the property as determined by the Class 28 Schedule.
3. Property designated under "Class 28" may not be deleted from the personal property declaration even if disposed of or sold until the final year of the Class 28 Schedule has expired. A taxpayer who sells or disposes of an item of personal property which has been designated as "Class 28" must continue to pay taxes on such property until the final year on the Class 28 Schedule (4th year).

4. Once a taxpayer has made the election to use the Class 28 Schedule, the election may not be revoked or transferred to any other Personal Property Valuation Schedule.
5. For personal property having an acquisition cost of \$1,000 or less and acquired on or before December 31, 2012, the taxpayer is to proceed as follows: at a time after the first year of acquisition, the taxpayer is to pay property tax according to the taxable value for the applicable one or more years after acquisition as determined by the Class 28 Schedule.

5.5.5 Qualifying Exempt Primary Residential Rental Personal Property

“Qualifying exempt primary residential rental personal property” means household furnishings, furniture and equipment that: (1) are used exclusively within a dwelling unit that is the primary residence of a tenant; (2) are owned by the owner of the dwelling unit that is the primary residence of a tenant. Household furnishings, furniture and equipment that meet the above definition qualify for the 45% residential exemption. The exemption **does not** apply to property used for transient residential use, such as; motels, hotels, time shares, rehabilitation centers or residential property in short term rental pools. Property not used exclusively inside the dwelling unit, such as: club house furniture and fixtures, exercise facilities, pool equipment and furniture **do not** qualify for the 45% residential exemption.

Three special class codes (Class 45-5, Class 45-8 and Class 45-28) have been developed to assist in valuing the “qualifying exempt primary residential rental personal property”. The three special classes were developed using the existing Class 5, Class 8 and Class 28 schedules because the property has similar economic life. However, the 45% exemption has been incorporated or figured into the percent good schedules in Class 45-5, Class 45-8 and Class 45-28. Class 45-5 would include furniture such as beds, tables, chairs, sofas and etc. owned by the landlord and provided for use by the tenant in a furnished apartment or owned by a long-term care facility owner and provided for use by long-term care tenants in a long-term care dwelling unit. Class 45-8 would include refrigerators, stoves and other appliances owned by the landlord and provided for use by the tenant in a furnished apartment or owned by a long-term care facility owner and provided for use by long-term care tenants in a long-term care dwelling unit. Class 45-28 would include any personal property that could be included in either Class 45-5 or Class 45-8 but must meet the qualifications and restrictions for the Class 28 “Non-capitalized Personal Property Schedule (Reference Standards 5.5.3. and 5.5.4).

2017 Special Qualifying Exempt Primary Residential Rental PP Valuation Schedule Class 45 – 5

Acquisition Year	Percent Good	X	Exemption Percent	=	Percent Good After Allowing Residential Exemption
2016	89%	X	55%	=	49%
2015	80%	X	55%	=	44%
2014	71%	X	55%	=	39%
2013	61%	X	55%	=	34%
2012	52%	X	55%	=	29%
2011	43%	X	55%	=	24%
2010	32%	X	55%	=	18%
2009	22%	X	55%	=	12%
2008	12%	X	55%	=	7%

Personal Property Valuation Schedule for 2015

Class 45 – 8

Acquisition Year	Percent Good	X	Exemption Percent	=	Percent Good After Allowing Residential Exemption
2016	90%	X	55%	=	50%
2015	84%	X	55%	=	46%
2014	76%	X	55%	=	42%
2013	68%	X	55%	=	37%
2012	61%	X	55%	=	34%
2011	54%	X	55%	=	30%
2010	45%	X	55%	=	25%
2009	37%	X	55%	=	20%
2008	29%	X	55%	=	16%
2007	20%	X	55%	=	11%
2006	11%	X	55%	=	6%

Personal Property Valuation Schedule for 2015

Class 45 – 28

Acquisition Year	Percent Good	X	Exemption Percent	=	Percent Good After Allowing Residential Exemption
2016	75%	X	55%	=	41%
2015	50%	X	55%	=	28%
2014	25%	X	55%	=	14%
2013	0%	X	55%	=	0%

Note: The primary residential exemption is applied first to the qualifying exempt primary residential rental personal property before the Section 59-2-1115(2) or the total aggregate taxable value per county of \$10,300 exemption.

5.5.6 Manufactured Homes/Mobile Homes

Please reference [Standard 14 Manufactured/Mobile Homes](#).

5.5.7 Leasehold Improvements

The value of leasehold improvements shall be included in the value of the underlying real property and assessed to the owner of the underlying real property. The only exception is a leasehold improvement to exempt real property; in this case, the leasehold improvements are assessed as personal property to the tenant. (Rule R884-24P-32) Leasehold improvements should be appraised as real property based on replacement cost new less depreciation, derived from the Marshall and Swift Valuation Guide. Depreciation is accounted for by a percent good factor derived from economic life estimates obtained from Marshall & Swift and market analysis. Short-lived leasehold improvements should be treated as “Short-Life Trade Fixtures.”

5.5.8 Three Approaches to Value

When deviating from the recommended schedules and guides to appraise personal property, one or more of the three valuation approaches should be used. This standard adopts the valuation techniques set forth in the “IAAO’s Standard on Valuation of Personal Property,” (See Appendix 5B). Valuation guidelines for specific types of personal property are contained in Appendix 5A.

Standard 5.6 Auditing

5.6.0 Audit Objectives

The overall objective of an audit program is to promote uniformity, equity, and proper reporting. The Property Tax Division audits taxable personal property in 27 of the 29 counties. Two counties, Salt Lake and Weber currently perform their own audits.

5.6.1 Audit Selection

The Property Tax Division and the appropriate assessor select accounts to be audited. Emphasis should be placed on new accounts, major accounts, accounts showing significant changes in reported values, and problem (non-reporting) accounts. In larger counties, some random selection is desirable.

Though periodic audits of all accounts is ideal, it is often not practical. In lieu of actual audits, internal edit procedures should be developed to identify problem accounts. For example, comparison of accounts from year to year may identify under- or over-reporting. Development of standards for various types of businesses can also be valuable.

5.6.2 Audit Process

Accounts to be audited should be notified in writing at least two weeks in advance of any field inspection. The audit should consist of a physical inventory and thorough review of accounting records to include fixed asset ledgers, depreciation schedules, balance sheets, income and expense statements, invoices, and federal tax returns. This information is used to identify all taxable property, the date of acquisition and acquisition costs. Acquisition cost includes freight, sales tax, fees and installation costs. Generally, if an expenditure is capitalized as part of the value of an asset, it should be included in the acquisition cost. Interest on installment contracts is an exception to this principle.

Where leased property is discovered, copies of all lease agreements should be obtained and/or the following information collected:

- Name and address of lessor
- Description of leased personal property
- Date the lease began
- Annual lease payments
- Purchase options
- Actual or retail cost at the beginning of the lease

The assessor can then contact the leasing company to complete the assessment.

Usually, the tax liability falls to the lessor (owner) of the property. However, if the lessee has an installment purchase plan or capitalized lease where ownership passes to the lessee at the end

of the contract without the exercise of an option by either the buyer or seller, or, if the lease agreement allows for the “nominal purchase” of the leased equipment by the lessee, then the tax liability is that of the lessee (purchaser). The “nominal purchase” requirement should be considered on a case by case basis by the county assessor. (R884-24P-44)

The type of information needed to complete an audit assignment will vary depending upon the type of business being audited and the quality of the company’s fixed asset accounting procedures.

Comparison of personal property audit results with related real property appraisal records is necessary to identify and avoid double taxation.

5.6.3 Audit Results

Upon completion of the audit, the results should be reviewed with the taxpayer prior to issuing the written audit report. The report should show all increases or decreases in value by category of property and the net change in the total account.

The Property Tax Division audit reports are issued to the assessor and the taxpayer. The assessor must implement audit results as provided by the Property Tax Division and may not change audit results without written authorization from the Division. (R884-24P-42) Upon receiving the audit results from the Division, the assessor must issue a bill for any additional amount due or process a refund for any overpayment. If the original county assessment was an estimate due to non-filing, the county should not refund any overpayment. Audit results are appealable to the county board of equalization.

5.6.4 Audit Records

A complete set of audit records should be maintained to include:

- Field notes
- Financial records
- Correspondence
- Notes on telephone conversations
- All appraisal notes and work papers
- Audit reports
- Personal property audit records are confidential information of the assessor and the commission.

5.6.5 Audit Costs

Thirty percent (30%) of the cost of personal property audits conducted by the Property Tax Division are borne by the counties. Costs are based upon the number of days of service rendered. The Property Tax Division must provide counties with an estimate of these costs by May 1 each year. (Section 59-2-705)

Appendix 5A

Specific Valuation Guidelines

Machinery and Equipment

“Machinery and equipment are items of personality (personal property) used in the normal conduct of business, not permanently attached and, unlike inventory, not intended to be sold. Factors that influence the valuation of machinery and equipment are utility, usefulness to the owner, and the ability to produce income. At the end of the economic life, however, consideration should be given to salvage value. The market value of machinery and equipment typically follows a declining path once the assets are acquired and put into operation.

“The most common and generally applicable approach for the valuation of machinery and equipment is the cost approach, although the sales comparison approach should receive primary consideration when adequate data are available. In particular, small equipment for which there is often an active resale market may lend itself to valuation by the sales comparison approach.

“Tools, dies, jigs, and patterns generally have very short lives and therefore are often appraised at book value.” (7.3.1 IAAO “*Standard on Valuation of Personal Property*,” 1985)

Inventories

Goods held in inventory for sale as of January 1 noon are exempt in accordance with the Utah Code Annotated. Many years ago, Utah taxed inventory held for sale, as many states continue to do today. Property not identified in the statutes as inventory is taxable.

1. Tangible personal property present in Utah on January 1, noon, held for sale in the ordinary course of business or for shipping to a final out-of-state destination within 12 months and which constitutes the inventory of any retailer, wholesaler, distributor, processor, warehouseman, manufacturer, farmer, or livestock raiser, is exempt from public taxation.
2. This exemption does not apply to:
 - I. inventory which is not otherwise exempt from personal property taxation; or
 - II. property or mineral deposits under Sections 59-2-201, 59-2-205, and 59-2-207 through 59-2-211, and the severance tax under Chapter 5, Title 59.
 - III. a manufactured home or mobile home which is sited at a location where occupancy could take place. (Section 59-2-1114)
3. As used in this section, inventory means all items of tangible personal property described as materials, containers, goods in process, finished goods, and other personal property owned by or in possession of the person claiming the exemption.
4. The Commission is empowered to adopt rules to implement the inventory exemptions by Section 59-2-1114.
5. Equipment leased or rented from inventory becomes taxable as personal property. Also, property held for rent or lease is taxable. For rent- to-own businesses, inventory held on January 1 is exempt and property out on rent to own contracts is taxable. [R884-24P-33(c)]

Furniture and Fixtures

“The same procedure as described for the appraisal of machinery and equipment is generally used in the appraisal of furniture and fixtures.” (IAAO “Standard on Valuation of Personal Property,” 1985)

Leased Equipment

“The valuation of leased equipment is complicated by such factors as the wide variety of leased equipment, the variety of arrangements, rapidly changing technologies, and changing market conditions. These factors can cause the quality and quantity of available market data to vary.

“The income approach is often used in valuing leased equipment since data on sales and rental rates are usually available. When sales data are available, emphasis should be given to income multipliers derived from market data and to the sales comparison approach.

“The cost approach may be used in the valuation of leased equipment but must be utilized with caution, since markups of cost to list prices vary from one company to another on the same type of equipment and also vary with the level of trade. If manufactured cost is the only information that is reported, it is recommended that the assessor try to obtain more data from the lesser to try to compare the equipment in question with similar equipment of known cost.” (IAAO “Standard on Valuation of Personal Property,” 1985)

Supplies

“Supplies are stocks of goods intended to be consumed during the production process, but are not part of the raw materials inventory that is processed into the finished product. Examples of supplies include chemicals, clothing, pallets, paper, fuels, and repair parts. Unlike inventory, supplies are not held for resale. Supplies should be valued at their acquisition cost. (IAAO “Standard on Valuation of Personal Property,” 1985)

Appendix 5B

IAAO Standard on Valuation of Personal Property

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7.2 Valuation Techniques

The cost, income, and sales comparison approaches should be considered in the appraisal of personal property. The degree of dependence upon any one approach will change with the availability of reliable data. In addition, value-per-square-foot figures developed for comparable properties can be used to check the value estimates derived from the standard appraisal approaches. Such figures can also be used when the data required for other approaches are unavailable.

7.2.1 Cost Approach

Costs used in the cost approach can be original, acquisition, replacement, or reproduction costs, although often only original or acquisition costs are readily available for personal property. The cost approach provides an estimate of value based on the depreciated cost of the property. In applying the cost approach to personal property, the appraiser must identify make and model number of the personal property, year acquired, and acquisition costs including freight, installation, taxes, and fees. Acquisition costs of equipment acquired pursuant to a lease purchase agreement should include total payments, not just final payment. The acquisition costs should then be trended and depreciated as appropriate to reflect current market values unless statutes or specific market data dictate otherwise.

The assessor should recognize that appraisal and accounting practices may differ in depreciating machinery. Accounting practices provide for recovery of the cost of an asset, while appraisal practices strive to estimate a value related to the current market. Appraisal practice should consider depreciation in the forms of physical deterioration, functional obsolescence, and economic obsolescence.

Useful guidelines in the form of depreciation schedules or tables are available [from] central assessing authorities, professional revaluation companies, and appraisal publishing firms. Generally, these guides are sufficiently accurate for use in mass appraisal of property. However, there are always particular types of property where accrued depreciation defies the use of guides and can be estimated by applying experience and judgment.

7.2.2 Sales Comparison Approach

The sales comparison approach may have limited application in appraising machinery used in business, since sales of used items are generally few and are often liquidation sales, which typically are not at market value. On the other hand, list prices, including delivery costs and sales taxes, when supported by the marketplace, can be good indications of value. Care must be taken to assure that the property is valued at the proper level of trade. Trade and cash discounts should be subtracted from the list prices, particularly if the equipment sold is still at the wholesale level of trade.

If reliable sales data are available, the adjustment process can be applied in the same manner as in real estate, with one exception: sales of comparable real properties usually have a positive adjustment for time because of appreciation. Since depreciation of machinery and equipment may out pace inflationary effects, sales of this type of property may require a negative adjustment for time.

7.2.3 Income Approach

The income approach produces an estimate of the present worth of income to be received in the future. To apply this approach the assessor must estimate the income stream over the remaining economic life of the subject equipment. Typical gross incomes may differ under various leasing arrangements, although lessors may be able to supply average gross revenues for each type and model of equipment. The historical pattern of net income streams, together with an analysis of current leasing patterns, will suggest the likely shape of future income streams. The capitalization technique chosen should be consistent with the anticipated income stream.

When reliable data on equipment leases are available, the income approach can provide good value estimates. Lessors should be required to document operating expenses to be deducted from gross income. These expenses include management directly associated with the production of lease revenue, equipment maintenance expenses and the like.

Developing a capitalization rate is the critical step in the capitalization process. Capitalization rates contain provisions for return on investment (discount rate) and capital recovery (return of the investment). In addition, property taxes may be accounted for as a component of the capitalization rate. The discount rate compensates investors for their entrepreneurial efforts; it is determined by the anticipated rate of return and the risk associated with a particular investment. Capital recovery is a provision for recapture of the investment over its economic life.

Data on the economic lives of equipment can be obtained from a number of sources. Lessors are perhaps the best source, although typical economic lives should be documented with dates of acquisition and disposal of actual items. These data can be used to estimate recapture rates. When applying the income approach, consideration should be given to the salvage or scrap value, if any, when the equipment has reached the end of its normal life expectancy.

In cases where equipment is both sold and leased, gross income multipliers should be developed. Gross income multipliers can provide reliable value estimates for personal property items that have similar operating expenses, discount rates, and remaining economic lives.

7.3 Valuation Guidelines for Tangible Personal Property

As discussed in Section 7.2 of the IAAO Standard, the cost, income, and sales comparison approaches should be considered in the appraisal of tangible personal property. However, certain types of personal property do not readily lend themselves to development of all three generally accepted approaches. If sufficient sales data are available to support use of the sales comparison approach, it should receive primary consideration. In many instances, however, sufficient sales data are not available, and in these instances more reliance is placed on the cost approach or the income approach.

Note: Copies of the “Standard on Valuation of Personal Property,” IAAO, 1985 are available for purchase. Contact:

IAAO
Publications Department
1313 East 60th Street
Chicago IL 60637-2892

Appendix 5C

Recommended Schedules for Personal Property Assessment

Class No.	Description	Valuation Source
Class 1	Short Life Property	IRS class life, 4 yrs
Class 2	Computer Integrated Machinery	IRS class life, 8 yrs
Class 3	Short Life Equipment	IRS class life, 5 yrs
Class 5	Long Life Trade Fixtures	IRS class life, 9 yrs
Class 6	Heavy & Medium Duty Trucks	Price Digest, 14 yrs
Class 7	Medical & Dental Equipment	IRS class life, 11 yrs
Class 8	Machinery & Equipment	IRS class life, 11 yrs
Class 9	Off-Highway Recreational Vehicles	Age based fees
Class 10	Railroad Cars	IRS class life, 14 yrs
Class 11	Street Motorcycles	Age based fees
Class 12	Computer Hardware	IRS class life, 6 yrs
Class 13	Heavy Equipment	Egguru, 14 yrs
Class 14	Motor Homes	NADA Recreational Vehicle Guide, 17 yrs
Class 15	Semi-conductor Manufacturing Equip.	IRS class life, 5 yrs
Class 16	Long Life Property	IRS class life, 19 yrs
Class 17	Vessels 31 feet in length & longer	Price Digest, 21 yrs
Class 17a	Vessels less than 31 feet	Age based fees
Class 18	Travel Trailers	Age based fees
Class 18a	Tent Trailers & Truck Campers	Age based fees
Class 20	Petroleum & Natural Gas Equipment	IRS class life, 13 years
Class 21	Commercial Trailers	Price Digest, 17 yrs
Class 21a	Other Trailers (non-commercial)	Age based fees
Class 22	Passenger Vehicles	Age based fees
Class 22a	Small Motor Vehicles	Age based fees
Class 23	Aircraft	Uniform & Registration fees
Class 24	Leasehold Improvements*	Marshal Valuation Service, 12 yrs
Class 25	Aircraft Manufacturing Tools and Dies	Boeing, 6 yrs
Class 26	Personal Watercraft	Age based fees
Class 27	Electrical Power Generating Equipment	ASA, 35 yrs
Class 28	Non Capitalized Personal Property	(See UCA Section 59-2-108)

*Short-life leasehold property may be included with Class 3 property.