State of Wyoming

Personal Property Valuation Manual

2022

Wyoming Department of Revenue
Property Tax Division – Appraisal Services

APPENDIX 2

LIFE TABLES & TRENDING FACTORS & DEPRECIATION TABLES

Wyoming Department of Revenue Life Tables for
Personal Property and Oil & Gas Equipment

All life expectancies on personal property and oil & gas equipment were thoroughly researched and updated for tax year 2017 and currently. The updated life expectancies were obtained from the Marshal and Swift Valuation Service Manual and IRS Publication 946 How to Depreciate Property. Marshall and Swift section 97 Page 20 dated November 2014 states:

> Most of the following useful lives for depreciable assets other than buildings, by industry groups, are extracted from U.S. Treasury Department Internal Revenue Service Publication 946 titled *"How to Depreciate Property"*.

To further support our research the International Association of Assessing Officers Course 500 titled *"Assessment of Personal Property"* Revised 02/11, chapter 5, pages 24-26, part G. Total Economic Life and the Appraisal Concept of Depreciation

> Item #4 states:
>
> Anticipated normal physical, functional, and economic depreciation are inherent in some published useful-life guides. Factors affecting useful life schedules as reflected by the U.S. Internal Revenue Service Asset Depreciation Range (ADR) are stated in their regulations to include: a) wear, tear, decay or decline from natural causes b) normal progress of the art c) normal economic changes d) current developments within the asset industry.
>
> Item #5 states:
>
> The ADR system is a range of depreciable lives allowed by the Internal Revenue Service (IRS) for a specified asset. The ADR system was replaced by the Accelerated Cost Recovery System (ACRS) for properties placed into service after 1980. But it was revived under the 1986 Tax Reform Act as part of new ACRS rules to determine class lives. Regardless of whether an appraiser uses the ADR system, the concept gives evidence that normal depreciation, defined as a loss in value due to all causes, can be estimated by using a ratio of estimated effective age to an appropriately assigned total economic life. This method of depreciation is called the straight –line method.
>
> Item #10 states:
>
> To learn more about the IRS view of depreciation and how IRS guidelines relate to appraisal depreciation, you may visit the following website:
>
> http://www.irs.gov/publications/p946/index.html

When referencing the IRS Publication 946 the DOR utilized the column titled "Class Life (in years)" indicating similar lives as the Recovery Periods (in years) column titled "ADS". We determined the GDS (MACRS) column of lives were far too aggressive of depreciation for appraisal purposes.

Personal Property Life Expectancies

Life Years	Description
5	Hand Tools/Warehouse Equipment
6	Copiers, Fax, Vending
6	Construction Equipment (Mixers, Scaffolding, Saws, Welders, Etc.)
6	Photography, Radio, Television
6	Helicopters
6	Miscellaneous Machinery & Shop Equipment (Specialty Tools, Dies, Jigs, Etc.)
6	Professional and Scientific Instruments
6	PC Computers/Main Frames/Video Equipment/Cassettes & Games
9	Auto/Rec and Etc. Sales/Repair & Service Stations
9	Telephone/Telegraph/CTV Microwave Origination Test
10	Bulletin Boards/Neon Signs
10	Cinema/Theater/Auditoriums/Playhouse Equipment
10	Laundry/Cleaners/Car Wash Equipment
10	Furniture, Fixtures and Equipment
10	Farm Machinery (Tractors, Combines, Utensils, Wagons, Etc.)
10	Garbage Dumpsters
10	Golf Clubs/Pool & Billiards/Bowling/Rental Boats Equipment
10	Hotels/Motels/RV Campgrounds/Tr. Parks Rental Furnishings
10	Heavy Machinery & Equipment (Draglines, Cranes, Excavation, Etc.)
10	Law Libraries
10	Medical & Health Services Equipment, Offices/Hospital Furnishings
10	Mining Quarrying on Non-Metallic Minerals (Except Fuels)
10	Restaurants and Bars
10	Saddles/Harnesses/Outfitter Equipment
10	Telecommunications Equipment
10	CTV Subscriber Connection and Distribution
10	Woodworking Mfg., Sawmills, Lumber Products
11	Estimate (BIA)
11	Printing/Publishing Machinery & Equipment
11	Cable TV Systems Headend Equipment
12	Aircraft
12	Amusement Parks/Health Clubs/Gyms
12	Food Processing/Breweries/Walk-In Coolers/Chillers, Etc.
12	Fabricated Metal Machinery & Equipment
12	Materials & Supplies (Not for Resale)
12	Ski Lifts
13	Paper & Allied Products Machinery & Equipment

14	Foundry Products
	Personal Property Life Expectancies Continued
14	Primary Metal Industry Machinery & Equipment
15	Moveable Buildings
20	Railroad Spurs
20	Billboard Signs
20	Tower Structures
22	Chemical Pipeline
22	Propane Tanks, Transformers
30	MBH (Single, Double, Triple)

Oil & Gas Equipment Life Expectancies

Life Years	Description
5	Hand Tools/Warehouse Equipment
6	Copiers, Fax, Vending
6	Construction Equipment (Mixers, Scaffolding, Saws, Welders, Etc.)
6	Drill Pipe, Drill Stem and Drill Collars
6	Helicopters
6	Miscellaneous Machinery & Shop Equipment (Specialty Tools, Dies, Jigs, Etc.)
6	PC Computers/Main Frames/Video Equipment/Cassettes & Games
6	CBM Well Heads for Shallow Wells
10	Furniture, Fixtures and Equipment
10	Telecommunications Equipment
11	Estimate (BIA)
12	Aircraft
12	Materials & Supplies (Not for Resale)
14	Field Equipment
14	Drilling Rigs
15	Buildings/Bunk Houses
15	Moveable Buildings
20	Railroad Spurs
20	Billboard Signs
22	Pipelines
22	Propane Tanks, Transformers
30	MBH (Single, Double, Triple)

2022 Trending Factor Table
Industry Average/ Commercial FF & E

Tax Year	Trending Indicies	Trending Factor	Tax Year	Trending Indicies	Trending Factor	Tax Year	Trending Indicies	Trending Factor
2022	2069.8	1.0000	1989	886.5	2.3348	1957	225.1	9.1950
2021	1743.1	1.1874	1988	841.4	2.4599	1956	208.8	9.9128
2020	1736.4	1.1920	1987	806.9	2.5651	1955	190.8	10.8480
2019	1727.8	1.1979	1986	795.4	2.6022	1954	184.6	11.2124
2018	1667.7	1.2411	1985	787.9	2.6270	1953	182.5	11.3414
2017	1612.2	1.2838	1984	776.4	2.6659	1952	180.5	11.4670
2016	1580.9	1.3093	1983	755.8	2.7386	1951	180.3	11.4798
2015	1593.7	1.2987	1982	742.4	2.7880	1950	167.9	12.3276
2014	1578.8	1.3110	1981	709.2	2.9185	1949	161.2	12.8400
2013	1558.7	1.3279	1980	642.8	3.2200	1948	162.8	12.7138
2012	1545.9	1.3389	1979	584.4	3.5418	1947	150.6	13.7437
2011	1503.2	1.3769	1978	534.7	3.8710	1946	123.2	16.8003
2010	1457.4	1.4202	1977	497.1	4.1637	1945	103.4	20.0174
2009	1468.6	1.4094	1976	472.1	4.3842	1944	102.4	20.2129
2008	1427.3	1.4502	1975	444.3	4.6586	1943	100.5	20.5950
2007	1373.3	1.5072	1974	398.4	5.1953	1942	99.6	20.7811
2006	1302.3	1.5893	1973	344.1	6.0151	1941	92.6	22.3521
2005	1244.5	1.6632	1972	332.1	6.2325	1940	86.1	24.0395
2004	1157.3	1.7885	1971	321.3	6.4420	1939	85.3	24.2649
2003	1118.6	1.8503	1970	303.2	6.8265	1938	84.4	24.5237
2002	1100.0	1.8816	1969	285.1	7.2599	1937	83	24.9373
2001	1093.4	1.8930	1968	273.2	7.5761	1936	81.6	25.3652
2000	1084.3	1.9089	1967	262.9	7.8730	1935	78.1	26.5019
1999	1065.0	1.9435	1966	252.5	8.1972	1934	74.6	27.7453
1998	1061.8	1.9493	1965	244.9	8.4516	1933	70.4	29.4006
1997	1052.7	1.9662	1964	241.8	8.5600	1932	66.1	31.3132
1996	1036.0	1.9979	1963	239.2	8.6530	1931	76.6	27.0209
1995	1020.4	2.0284	1962	238.5	8.6784	1930	87	23.7908
1994	985.0	2.1013	1961	237.2	8.7260	1929	91.8	22.5468
1993	958.0	2.1605	1960	237.7	8.7076	1928	96.5	21.4487
1992	939.8	2.2024	1959	234.9	8.8114	1927	98.3	21.0560
1991	928.5	2.2292	1958	231	8.9602	1926	100	20.6980
1990	910.2	2.2740						

PERCENT GOOD TABLE

FIXTURES & EQUIPMENT/ OIL & GAS

Effective Age in Years	REALWARE LIFE EXPECTANCY IN YEARS											
	30	**22**	**20**	**15**	**14**	**13**	**12**	**11**	**10**	**9**	**6**	**5**
	% Good											
1	98	97	97	95	95	94	94	93	92	91	87	85
2	97	94	93	90	89	88	87	86	84	82	73	69
3	95	91	90	85	84	82	80	78	76	72	57	52
4	93	88	86	79	77	75	73	70	67	61	41	34
5	91	84	82	73	71	69	66	62	58	51	30	23
6	89	80	78	68	65	62	58	54	49	41	23	20
7	86	77	74	62	58	54	50	45	39	33	20	
8	84	73	70	55	51	47	43	37	30	26		
9	82	69	65	49	45	41	36	30	24	22		
10	79	64	60	43	39	34	29	25	21	20		
11	76	60	55	37	33	29	24	22	20			
12	74	56	50	31	28	25	22	20				
13	71	51	45	26	24	22	20					
14	68	46	40	23	22	20						
15	65	42	35	21	20							
16	61	38	31	20								
17	58	34	27									
18	54	30	24									
19	51	27	22									
20	47	25	21									
21	43	23	20									
22	40	22										
23	37	20										
24	34											
25	31											
26	28											
27	25											
28	23											
29	22											
30	21											
31	20											

DEPRECIATION TABLE

PERCENT DIFFERENCE OF DEPRECIATION BETWEEN YEARS

FIXTURES & EQUIPMENT/ OIL & GAS

Effective Age in Years	REALWARE LIFE EXPECTANCY IN YEARS																							
	30	Dep Diff	22	Dep Diff	20	Dep Diff	15	Dep Diff	14	Dep Diff	13	Dep Diff	12	Dep Diff	11	Dep Diff	10	Dep Diff	9	Dep Diff	6	Dep Diff	5	Dep Diff
	Normal Depreciation - Percentage																							
	Depreciation Difference from Previous Year to Current Year - Percentage																							
1	2	1	3	2	3	2	5	4	5	4	6	5	6	5	7	6	8	7	9	8	13	12	15	14
2	3	1	6	3	7	4	10	5	11	6	12	6	13	7	14	7	16	8	18	9	27	14	31	16
3	5	2	9	3	10	3	15	5	16	5	18	6	20	7	22	8	24	8	28	10	43	16	48	17
4	7	2	12	3	14	4	21	6	23	7	25	7	27	7	30	8	33	9	39	11	59	16	66	18
5	9	2	16	4	18	4	27	6	29	6	31	6	34	7	38	8	42	9	49	10	70	11	77	11
6	11	2	20	4	22	4	32	5	35	6	38	7	42	8	46	8	51	9	59	10	77	7	80	3
7	14	3	23	3	26	4	38	6	42	7	46	8	50	8	55	9	61	10	67	8	80	3		
8	16	2	27	4	30	4	45	7	49	7	53	7	57	7	63	8	70	9	74	7				
9	18	2	31	4	35	5	51	6	55	6	59	6	64	7	70	7	76	6	78	4				
10	21	3	36	5	40	5	57	6	61	6	66	7	71	7	75	5	79	3	80	2				
11	24	3	40	4	45	5	63	6	67	6	71	5	76	5	78	3	80	1						
12	26	2	44	4	50	5	69	6	72	5	75	4	78	2	80	2								
13	29	3	49	5	55	5	74	5	76	4	78	3	80	2										
14	32	3	54	5	60	5	77	3	78	2	80	2												
15	35	3	58	4	65	5	79	2	80	2														
16	39	4	62	4	69	4	80	1																
17	42	3	66	4	73	4																		
18	46	4	70	4	76	3																		
19	49	3	73	3	78	2																		
20	53	4	75	2	79	1																		
21	57	4	77	2	80	1																		
22	60	3	78	1	80	0																		
23	63	3	80	2																				
24	66	3																						
25	69	3																						
26	72	3																						
27	75	3																						
28	77	2																						
29	78	1																						
30	79	1																						
31	80	1																						
Avg Diffs		3		3		4		5		5		6		6		7		7		8		11		13

Note: Please read the following information on the next page concerning this depreciation table.

The percent difference of depreciation in the above depreciation table can be considered when using the "M" approach in RealWare when a used purchase price is reported and is considered to be at market. The chart may estimate depreciation from the time the equipment was purchased as used to the time it reaches a residual value.

Example:

Company A purchases Company B and reports to the Assessor a breakdown of the equipment purchased in the transaction. If the Assessor believes the reported values to be reflective of market, those values could be entered into RealWare under the "M" approach. The age of the equipment should be known, or the appraiser must be able to logically estimate an effective age of the equipment, thus choosing a reasonable amount of depreciation in the year purchased. Subsequent years would result in additional depreciation being applied by using the chart of an average depreciation for each life expectancy, (14 Year life could reasonably have 5% depreciation applied each year until it reaches a residual value in year 15). The Assessor will have the option of adjusting the effective age at any time or consider an alternative approach such as the "R" approach.