

Chapter 25. General Business Assets

§2501.Guidelines for Ascertaining the Fair Market Value of Office Furniture and Equipment, Machinery and Equipment and Other Assets Used In General Business Activity

A. When the information necessary to use the market and income approaches to value is generally not available, the fair market value of office furniture and equipment, machinery and equipment and other assets used in general business activity can generally best be estimated by the cost approach with consideration of information provided by property owners on annual LAT 5 forms, written and verbal description of valuation factors impacting the property, and other sources. This approach allows the assessors across the State of Louisiana to fairly and uniformly assess business and industrial personal property, while, at the same time, allowing each assessor the discretion that is necessary to accommodate modernization, facelifting of equipment, and obsolescence. However, when market and/or income data is presented or reasonably available, all of the three approaches to value with reliable data should be considered to determine the reconciled fair market value of the assessed property.

B. The following data is required to use the cost approach to value:

1. total acquisition costs of equipment (including freight, installation, taxes and fees, as well as, date of purchase) indexed to adjust the cost for the effects of inflation;

i. acquisition costs can alternatively be determined using market data and/or through a study of current market conditions when actual costs are not available;

2. the average expected economic life of the equipment;

3. a typical depreciation schedule for the equipment; and

4. information to determine external (economic) and/or functional obsolescence, if any.

C. The assessor should obtain from the taxpayer the acquisition cost of the equipment, the actual age of the equipment, and any information that may reflect on the average economic life and fair market value of the equipment. These regulations, as adopted by the Louisiana Tax Commission, contain guidelines for average economic life, typical depreciation schedules and cost indices.

D. Three different procedures are defined for establishing fair market value when using the cost approach: Procedure 1 shall be used for the typical business and industrial personal property which has an average economic life equal to the guidelines, and that has not incurred any external (economic) and/or functional obsolescence. Alternative Procedure 2 should only be used for the business and industrial personal

property which has an average life that is either lower or higher than the guidelines. Alternative Procedure 3 should only be used for the business and industrial personal property that has incurred external (economic) and/or functional obsolescence. An assessor or taxpayer wishing to deviate from Procedure 1 shall bear the burden of proving that the alternative procedure elected establishes the fair market value of the property.

E. Composite multipliers are computed for the assessor in Procedure 1 and presented in Table 2503.D. These tables shall be updated annually by the Tax Commission in order to comply with uniform assessment of personal property.

F. Procedure 1

1. This procedure for establishing the fair market value of business and industrial personal property (excluding oil and gas properties, drilling rigs, inventories and leased equipment), includes these steps:

a. classify the personal property according to the classifications listed in Table 2503.A;

b. the classification table will refer the assessor to the correct composite multiplier table. The composite multiplier is a composite of the cost index and the percent good;

c. select the correct composite multiplier from this table, based on the actual age of the equipment (See example below);

d. multiply the composite multiplier times the acquisition cost of the equipment. The result is the fair market value of the equipment.

e. in the year in which the personal property has reached its minimum percent good, the applicable composite multiplier in use at that time is "frozen". For the assessment years that follow, the RCNLD value does not change until the personal property is permanently taken out of service. An exception to this rule applies when the property has been reconditioned to extend its remaining economic life.

2. For example, the age 1 composite multiplier applies to personal property purchased the year prior to the year it is being assessed (two years back for Orleans Parish) and so on for the other ages.

G. Alternative Procedure 2

1. If an assessor determines that economic lives are over or understated for certain personal property, an appropriate composite multiplier can be derived as illustrated below:

a. select the average economic life of the personal property based on information available;

b. go to Table 2503.C and select the percent good based upon the actual age of the property;

c. select the appropriate cost index from Table 2503.B based on the year of acquisition;

d. multiply the percent good times the cost index to calculate the composite multiplier;

e. multiply the composite multiplier times the acquisition cost of the personal property in order to derive the fair market value of the personal property.

f. in the year in which the personal property has reached its minimum percent good, the applicable composite multiplier in use at that time is "frozen". For the assessment years that follow, the RCNLD value does not change until the personal property is permanently taken out of service. An exception to this rule applies when the property has been reconditioned to extend its remaining economic life.

2. This procedure should only be used if the assessor has proof that the average economic life of the personal property is different from the average economic life as provided in the guidelines. Otherwise, use Procedure 1 to calculate the fair market value.

H. Alternative Procedure 3

1. This procedure should be used only if external (economic) and/or functional obsolescence has affected the fair market value of the business and industrial personal property. External (economic) and/or functional obsolescence are defined in Section 301 of these rules and regulations. This procedure is to be used for Salt Dome Storage Wells & Caverns permitted as Class II Type 10, 11-L or 11-N. Negative economic obsolescence may occur resulting in a positive adjustment known as munificence.

2. The steps are:

a. acquire the acquisition cost and year acquired of the personal property;

b. multiply the acquisition cost times the cost index that corresponds to the year acquired from Table 2503.B;

c. multiply the number derived in Step b. by the percent good that corresponds to the year acquired from Table 2503.C.;

d. adjust the number derived in Step c. for functional obsolescence/munificence, if any;

e. adjust the number derived in Step d. for external (economic) obsolescence, if any; the result is the fair market value of personal property that has been affected by external (economic) and/or functional obsolescence/munificence.

f. in the year in which the personal property has reached its minimum percent good, the applicable composite multiplier in use at that time is “frozen”. For the assessment years that follow, the RCNLD value does not change until the personal property is permanently taken out of service. An exception to this rule applies when the property has been reconditioned to extend its remaining economic life.

3. Procedure 3 shall be used to develop fair market value when supporting data for the analysis of economic and/or functional obsolescence has been submitted.

4. If external (economic) and/or functional obsolescence/munificence, when documented and supported by the taxpayer, is not included in the valuation when warranted, a value greater or lower than fair market value will result.

5. Otherwise, use Procedure 1 to calculate the fair market value.

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2503. Tables Ascertaining Economic Lives, Percent Good and Composite Multipliers of Business and Industrial Personal Property

Table 2503.A
Suggested Guidelines For Ascertainig
Economic Lives of Business and Industrial
GB - 4 (2021)

Personal Property

The following alphabetical list includes most of the principal activities and types of machinery and equipment used in business throughout this state. The years shown represent an estimate of the average economic life of the equipment as experienced by the particular business or industry. The actual economic life of the assets of the business under appraisal may be more or less than the guidelines shown. The assessor must use his best judgment, in consultation with the property owner, in establishing the economic life of the property under appraisal.

Business Activity/Type of Equipment	Average Economic Life In Years
Agricultural Machinery & Equipment	10
Feed Mill Equipment (Production Line)	20
Air Conditioning & Heat Repair	10
Air Conditioning Single Room Unit	8
Aircraft Parts Mfg. M & E	12
All Terrain Vehicles	10
Aluminum Industry M & E	20
Amusement Devices (Music, Pinball Mach., etc.	12
Inflatable Air Bouncers	5
VCR & DVD Players	5
Video Games	3
Video Poker Gaming Equipment	5
Amusement & Theme Parks	12
Antenna (ex. Mounted on Towers) for CATV, etc.	8
Apparel Mfg. M & E	20
Auto Parts Retail	10
Auto Quick Service	10

Auto Repair M & E	8
Diagnostic Equipment (Electronic)	5
Paint Booths	15
Small Tools	5
Bakeries:	

Industrial (i.e. Holsum, Sunbeam Bread)	20
Commercial (i.e. Albertson's, Mom & Pop, etc.)	12
Banks	
Alarm Systems	5
Automatic Teller Machines (ATM's)	8
Encoders	10
Furniture & Fixtures	12
Safety Deposit Boxes	25
Vault Doors	25
Video Equipment	5
Barber & Beauty Shops	10
Tanning Beds	10
Billboards, Poster Panels & Bulletin Boards	15
Bleach Mfg. M & E	12
Blueprinting, Photostating, Mimeographing & Lithographing (non - electronic)	10
Boat Molds (fiberglass)	8
Book Bindery	12
Bottling & Soft Drinks Mfg. M & E	20
Bowling Lanes	12
Automatic Pinsetters & other M & E	10
Brewing & Distilling M & E	20
Butcher Shops	12
C.A.T.V. Equipment	
Cablevision Systems	10
Headend Active (Equipment & Tower)	8
House Drops & Converters	3
P & E (Distribution)	10
Test Equipment & Tools	5
Tower	20
Cabinet Shop M & E	8
Candy & Confections Mfg. M & E	12
Cannery M & E	20
Car Wash (5 min. & coin-op)	10
Cash Registers & Scanners (Also See Supermarkets)	5

Cellular/PCS	
Antennas	5
Cellular/PCS Telephone Handsets	3
Electronics	5
Leasehold Improvements	15
Power and Batteries	5
Software	3
Switching	5
Towers – Cellular/PCS and Microwave	20
Transmission	5
Cement, Clay & Brick Prods. Mfg. M & E	20
Chemical Industry M & E	15
Chiropractic Equipment	10
Clothing Mfg. M & E	20
Cocktail & Beer Bars	10
Coin-op Machines	10
Cold Storage Warehouse Equipment	12
Compressors (General Business Assets Only)	12
Computers	
Desktops	3
Handhelds	3
Laptops	3
Main Frame	5
Midrange	5
Peripherals	3
Personal Computers	3
Servers	5
Concrete Products M & E	20

Construction M & E	
Cranes, Crawler	20
General Construction	10
Asphalt Plants	
Portable	10
Stationary	12
Land Clearing	10
Marine Construction	
	20
Ships & Vessels	12
Pleasure Craft	8
Mobile Telescopic	10
Road Construction (heavy)	10
Rock Crushing	12
Portable	10
Stationary	10
Sewer & Utilities	
Well Drilling (other than O & G)	
Container Mfg. M & E	20
Converters (Residential Type)	3
Coolers (walk-in)	12
Coolers	
Water (Installed/Water Fountain)	10
Water (Portable)	5
Water Bottles (5 gallon)	3
Copy Machines	3
Costumes (rental)	5
Cotton Gins	12
Cranes (crawler)	20
Credit Card Machine (In Store Swipe-type)	5
Credit Card Machines (See Supermarket POS)	
Dairy Processing M & E	20
Day Care (Exclude Office, Kitchen & Computer Assets)	5
Dental Equipment	12
Department Store Furniture & Equipment	12
Dies & Molds	10
Digital Cameras & Recorders	5

Dispensing Machinery (coin-op)	10
Distilling & Brewing M & E	20
Doctors, Dentists & Professional Equipment	12
Drug Store F & F	12
Dry Cleaning & Laundry M & E (Except Coin-op)	12
(Coin-op)	5
Electrical Generating	
Gas & Diesel	10
Steam	25
Electrical Mfg. M & E	15
Electrical Transmission & Distribution	25
Electronic Equipment	5
Electronic Mfg. Equipment	8
Feedmill M & E	12
Fertilizer Applicators	10
Fertilizer Mfg. M & E	8
Fiberglass Molds	8
Fish Processing M & E	20
Fitness Equipment	
Electronic	5
Manual	8
Florist Retail (Except Computers and Other Office Equipment)	8
Flour, Cereal & Grain Milling	20
Food Processing M & E	20
Forklifts	
Inside	12
Outside	10
Foundry M & E	20
Fruit Bins & Cargo Pallets	10

Gaming Equipment:	
Casino Riverboats (See: Riverboat Casinos)	5
Electronic, Slots or Computers	3
Lotto Machines	10
Mechanical, Slots	15
All Other Gaming Equipment	
Garage M & E	8
General Contractor M & E	8
Golf Carts	8
Golf Course Equipment	10
Golf Course Tractors	12
GPS Receivers (Hand Held)	3
Greenhouse & Nursery M & E	10
Grocery Store F & F	12
Grocery Store Walk-in Coolers	12
Hardware Store F & F	12
Hatchery M & E	10
Health Spa Equipment	10
Hospital & Nursing Home Equipment	12
High Tech (Computer Driven) Equipment	5
Hotel F & F	10
Ice Cream Cabinets	10
Ice & Refrigeration M & E	20
Iron & Steel Industry M & E	25
Janitorial Service M & E	10
Jewelry Store F & F and Equipment	12
Key Duplication Equipment	10
Laboratory Equipment (Non-Electronic)	12
Landscaping M & E	10
Laundry & Dry Cleaning M & E	
(Except coin-op)	12
(Coin-op)	5

Leather Products Mfg. M & E	20
Libraries (Professional)	15
Lift Trucks (See: Forklifts)	
Lumber & Wood Products Industry	
Logging M & E	10
Log Stackers	10
Pulp, Paper & Paperboard M & E	20
Plywood & Veneer M & E	20
Scarifying M & E	10
Sawmills	
Portable	12
Stationary	20
Shake & Shingle Mills	
Portable	12
Stationary	20
Machine Shop M & E (Maintenance)	8
Machine Shop M & E (Production)	8
Mailing Machines	10
Meat Packing M & E	12
Meat Processing M & E (Complex)	20
Medical Equipment	12
Computer Driven	5
Metal Fabrication & Extrusion Mfg. M & E	20
Metal Sheet Fabrication	8
Mining, Milling & Quarry M & E	10
Mobile Yard Equipment	10
Modular Office Buildings (portable)	15
Mortuary Service Equipment	12
Motel Furniture & Equipment	10
Movie (Film Making)	8
Music Instruments (Rental)	8
Music Studio Recording Equipment	5

Music Systems (Background)	5
Neon Signs	10
Newspaper M & E	
Press	15
Photographic	10
Other M & E	15
Nursing Home Equipment	12
Mattresses	3
Nursery & Greenhouse M & E	10
Office Copy Machines, Faxes & Printers	3
Office Electronic Machines	5
Office F & F	12
Office Mailing Machines	10
Office Safes	25
Oilfield Rental Tanks	15
Outdoor Advertising Structures (See: Signs)	
Oxygen & Acetylene Tanks	25
P.A. Systems	10
Packing & Sorting M & E (Fruit, Vegetables, etc.)	12
Paint & Varnish Mfg. M & E	12
Pallets, Crates, Lugs, Bins, etc.	10
Petroleum Products Industry	
Bulk Station Equipment	25
Refining M & E	20
Service Station Equipment*	10
Photography Equipment	8
One-hour Photo processing Equipment	8
Plastic Extrusion Equipment	12
Plastic Illuminated Signs	10
Plumbing Shop Equipment	8
Plywood & Veneer Mfg. M & E	20
Pollution Control M & E	15
Pool Hall Equipment	12
Portalets	5

Poultry Plants M & E	12
Power & Generation M & E Gas & Diesel Steam	10 25
Printing & Publishing Equipment (See: Newspaper)	
Professional Equipment Scientific, Doctors, Dentists, etc. Libraries	12 15
Propane Tanks	25
Pulp & Paper Mfg. M & E	20
Radio & Television Broadcasting Equipment C.A.T.V. (Cable Systems) Digital Radio Equipment	8 10 5
Radio - Telephone Equipment - 2-Way	10
Recording Equipment Service & Repair Equipment Towers	8 10 20
Rental Equipment Linens Public U-Rent (except heavy equipment) Tuxedos Video Tape, DVD & Game Rental	3 5 5 3
Research & Development M & E	3
Restaurants, Soda Fountains & Drive-Ins	10
Retail Stores F & F	12
Riverboat Casinos Required to cruise Dockside on a permanent basis	15 20
Rock Crushers (See: Construction)	
Salt Dome Storage Wells & Caverns (LDNR Class II Type 10, 11-L or 11-N)	30
Sawmills (See: Lumber)	

Scaffolding (rental)	10
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Search Lights	10
Service Station Equipment *	10
Sewer Construction Equipment	10
Sewing Equipment	12
Sheet Metal Fabrication	8
Shipbuilding (See: Construction)	
Shoes & Leather Products Mfg. M & E	20
Shipyards (See: Construction)	
Signs	
Bulletin Boards	15
Billboards	15
Neon	10
Plastic Illuminated	10
Poster Panels	15
Electronic Three-sided Billboard	10
Small Tools – perishable	5
Smelting M & E	20
Soft Drink Mfg. M & E (Batch)	20
Storage Buildings (portable)	10
Stores	
Retail	12
Wholesale	12
Sugar Cane Refining	20
Supermarkets	
Cash Registers & Scanners	5
PA Systems (Public Address)	5
POS Computer Systems	3
Walk-in Coolers	12
Surveying Equipment (Also See Professional Equipment)	8
Tavern & Bar Equipment	10
Telecommunications Equipment (electronic)	8
Fiber Optic Cable (buried)	15
Fiber Optic Cable (exposed)	8

Telephone & Intercom Systems Electronic Manual (non-electronic)	8 10
Television & Radio (See: Radio)	
Textile, Tent & Awning Mfg. M & E	20
Theater F & F Projection Equipment	15 8
Tire Recapping Equipment	12
Toilets, Portable	12
Towers Cellular Microwave	20 20
Tuxedo Rental	5
Unclaimed Vehicles	10
Upholstery Equipment	10
VCR & DVD Equipment (If Rental Units, See Rental)	5
Vending Machines	10
Video Games	3
Video Poker Gaming Equipment	5
Warehouse Equipment	12
Water Systems	12
Welding Shop Equipment	12
Wholesale Stores	12
Winery Equipment	12
Woodworking Shop M & E	8
X-Ray Equipment	12

* If acquisition cost and age of service station equipment are not available, see **Chapter 9, Table 907.B-2**, for alternative assessment procedure.

Table 2503.B
GB – 15 (2007)

Cost Indices

Year	Age	National Average 1926 = 100	January 1, 2020 = 100*
2020	1	1736.4	0.996
2019	2	1727.8	1.001
2018	3	1667.7	1.037
2017	4	1612.2	1.073
2016	5	1580.9	1.094
2015	6	1593.7	1.085
2014	7	1578.8	1.095
2013	8	1558.7	1.110
2012	9	1545.9	1.119
2011	10	1503.2	1.150
2010	11	1457.4	1.187
2009	12	1468.6	1.178
2008	13	1427.3	1.212
2007	14	1373.3	1.259
2006	15	1302.3	1.328
2005	16	1244.5	1.390
2004	17	1157.3	1.494
2003	18	1118.6	1.546
2002	19	1100.0	1.572
2001	20	1093.4	1.582
2000	21	1084.3	1.595
1999	22	1065.0	1.624
1998	23	1061.8	1.629
1997	24	1052.7	1.643
1996	25	1036.0	1.669
1995	26	1020.4	1.695
1994	27	985.0	1.756
1993	28	958.0	1.805
1992	29	939.8	1.840
1991	30	928.5	1.863
1990	31	910.2	1.900

*Reappraisal Date: January 1, 2020 – 1729.4 (Base Year)

Table 2503.C
Percent Good

Age	3 Yr	5 Yr	6 Yr	8 Yr	10 Yr	12 Yr	15 Yr	20 Yr	25 Yr	30 Yr
1	.70	.85	.87	.90	.92	.94	.95	.97	.98	.98
2	.49	.69	.73	.79	.84	.87	.90	.93	.95	.97
3	.34	.52	.57	.67	.76	.80	.85	.90	.93	.95
4	.16	.34	.41	.54	.67	.73	.79	.86	.90	.93
5		.23	.30	.43	.58	.66	.73	.82	.87	.91
6		.18	.19	.33	.49	.58	.68	.78	.84	.89
7			.18	.26	.39	.50	.62	.74	.81	.86
8				.22	.30	.43	.55	.70	.78	.84
9				.20	.24	.36	.49	.65	.75	.82
10					.21	.29	.43	.60	.71	.79
11					.20	.24	.37	.55	.68	.76
12						.22	.31	.50	.64	.74
13						.20	.26	.45	.60	.71
14							.23	.40	.56	.68
15							.21	.35	.52	.65
16							.20	.31	.48	.61
17								.27	.44	.58
18								.24	.39	.54
19								.22	.34	.51
20								.21	.30	.47
21								.20	.28	.44
22									.26	.40
23									.24	.37
24									.20	.34
25									.20	.31
26									.20	.28
27										.26
28										.23
29										.21
30										.20
31										.20

Table 2503.D
 Composite Multipliers
 2021 (2022 Orleans Parish)

Age	3 Yr	5 Yr	6 Yr	8 Yr	10 Yr	12 Yr	15 Yr	20 Yr	25 Yr	30 Yr
1	.70	.85	.87	.90	.92	.94	.95	.97	.98	.98
2	.49	.69	.73	.79	.84	.87	.90	.93	.95	.97
3	.35	.54	.59	.69	.79	.83	.88	.93	.96	.99
4	.17	.36	.44	.58	.72	.78	.85	.92	.97	1.00
5		.25	.33	.47	.63	.72	.80	.90	.95	1.00
6		.20	.21	.36	.53	.63	.74	.85	.91	.97
7			.20	.28	.43	.55	.68	.81	.89	.94
8				.24	.33	.48	.61	.78	.87	.93
9				.22	.27	.40	.55	.73	.84	.92
10					.24	.33	.49	.69	.82	.91
11					.24	.28	.44	.65	.81	.90
12						.26	.37	.59	.75	.87
13						.24	.32	.55	.73	.86
14							.29	.50	.71	.86
15							.28	.46	.69	.86
16							.28	.43	.67	.85
17								.40	.66	.87
18								.37	.60	.83
19								.35	.53	.80
20								.33	.47	.74
21								.32	.45	.70
22									.42	.65
23									.39	.60
24									.33	.56
25									.33	.52
26									.34	.47
27										.46
28										.42
29										.39
30										.37
31										.38

1. Data sources for tables are:

- a. Cost Index - Marshall and Swift Publication Co.
- b. Percent Good - Marshall and Swift Publication Co.
- c. Average Economic Life - various

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