NEVADA DEPARTMENT OF TAXATION

Division of Local Government Services

PERSONAL PROPERTY MANUAL 2016-2017

Division of Local Government Services

Personal Property Manual

2016-2017

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INTRODUCTION

2016-17 PERSONAL PROPERTY MANUAL – INTERPRETIVE GUIDELINES

The schedules presented herein are interpretive guidelines for use by county assessors to establish taxable value, pursuant to the requirements of NRS 361.227(4) and NAC 361.1365 and 361.1375.

CLASSIFICATION OF PROPERTY

Personal property is defined in NRS 361.030, and includes (j) "all property of whatever kind or nature, except vehicles as defined in NRS 371.020, not included in the term "real estate." Real estate is defined in NRS 361.035, and includes land, houses, buildings, fences, ditches, structures,[1] erections, railroads, other improvements, and property rights. Real property is further defined in NAC 361.11715 as land, fixtures, improvements; on-site enhancements; and any rights, interests, benefits and privileges belonging or attached to the land.

NRS 361.333 requires that each major class of property be examined to determine whether there is equality of assessment. Uniformity and equality of assessment thus depend on proper classification. Although NRS 361.035 defines real estate and NRS 361.030 defines personal property, in practice it is sometimes difficult to tell whether an item is personal or real property. As the Attorney General stated in Opinion #41 (1963), "the classification depends on the facts of each particular case." The assessor is encouraged to consult the Division of Local Government Services and/or the District Attorney in difficult cases.

All references to statutes and regulations may be found in Appendix A of this Manual.

EXEMPT PROPERTY

NRS 361.050 through NRS 361.187 provide exemptions for assorted types of eligible property, including household goods; business inventories; property in transit; property owned by government entities, charitable organizations or veterans; and fine art for display.

Additionally, NRS 361.228(1) provides that

All intangible personal property is exempt from taxation, including, without limitation:

(a) Shares of stock, bonds, mortgages, notes, bank deposits, book accounts such as an acquisition adjustment and credits, and securities and chooses in action of like character; and

(b) Goodwill, customer lists, contracts and contract rights, patents, trademarks, trade names, custom computer programs, copyrights, trade secrets, franchises and licenses.

A complete discussion of exemptions and a cross-reference table is included in Appendix D of this manual.

[1] Structures include self-supporting structures other than buildings which carry gravity loads and resist the effects of earthquakes. They are generally not designed for continuous human occupancy and may be open to the environment, part of landscape design elements, or part of infrastructure systems (transport, water, energy). Examples of non-building structures include silos, chimneys, stacks, cooling towers, bins and hoppers, amusement structures, and monuments. *See American Society of Civil Engineers, "Minimum Design Loads for Buildings and Other Structures;" Revision of ASCE Standard 7-98, SEI/ASCE 7-02, 2nd Edition, Section 9.14, Nonbuilding Structures, p. 186. See also Bachman, Robert and Susan Dowty, "Nonstructural Component or Nonbuilding Structure," originally published in Building Safety Journal (April-May, 2008).*

PROCEDURES FOR DETERMINING TAXABLE VALUE

To calculate the taxable value of personal property, NAC 361.1371 and NAC 361.1375 require the assessor to determine four input values:

- Acquisition cost
- Acquisition year
- Expected life, and
- Cost conversion factor

The personal property declaration submitted by the taxpayer pursuant to NRS 361.265 should list the acquisition cost for each item and the year acquired. The declaration should also contain sufficient information to identify each item's industry classification (NAICS code), property type, and corresponding expected life.

Acquisition Cost

For personal property mobile or manufactured homes, acquisition cost means replacement cost when new, which equals the retail selling price to the original owner. For other types of personal property including billboards, acquisition cost means the actual cost of property to its present owner. For all personal property, acquisition cost includes any expense required to place the asset into service except sales tax--including all charges for transportation, installation, accessories, and profit and overhead, as well as additions to or renovations of the property other than routine maintenance or repairs. Observe, however, that the cost of manufactured homes does not include appurtenant improvements like outbuildings, decks, or paving. The assessor should value these separately as real property.

Should a taxpayer fail to file a valid personal property declaration or sufficient data is not otherwise available for the assessor to establish acquisition cost, NRS 361.265 authorizes the assessor to make an estimate of the value of the property. NAC 361.139 further requires the assessor to estimate its acquisition cost using any nationally recognized valuation technique. Because NRS 361.265(5) defines failure to file a declaration as a misdemeanor, assessors should advise taxpayers to file complete, accurate, and timely personal property declarations. In addition, if the reported acquisition cost appears inconsistent with market data, the assessor may request documentation for the cost reported and may pursue penalties for perjury if necessary.

Acquisition Year

For mobile and manufactured homes the acquisition year equals the year of the sale to the original owner, which often corresponds to the manufacturer's model year. For all other personal property the acquisition year equals the year the current owner purchased or leased the property. Observe that the acquisition year remains constant at the year first sold for manufactured homes but resets to the year acquired each time billboards or equipment change owners.

Expected life

The Life Expectancy Guidelines section assigns typical asset lives to each major industrial classification grouped by NAICS code. For example, all industries classified as *Agriculture and Forestry (NAICS .11)* have 15 year lives, while *Mining (NAICS .21)* assigns a 20 year life to *Oil and Gas Exploration (NAICS .2111)* and a 15 year life to *Mining (NAICS .2121 & .2122)*.

Certain items within industries appear separately as Itemized Equipment with specific lives that may differ from the industry norm. For example, *Agriculture and Forestry* industries with a typical 15 year life expectancy also

use specialized equipment whose asset lives equal 7, 10 or 20 years. To improve accuracy, assessors should employ the itemized equipment lives whenever they can assign a specific life expectancy to a particular item.

Having identified the industry classification for the subject account the assessor then assigns its appropriate NAICS code and corresponding expected lives to its assets. To avoid confusion the assessor should ask taxpayers to include their company's NAICS code on their personal property declarations.

Readers may also use the alphabetical listing of personal property by general type found in the Index of this Manual to locate the appropriate expected life for individual items. Because some industries use similar types of business equipment, like desks or computers, readers should select the NAICS classification that best describes the subject account.

Besides these NAICS Life Expectancy Guidelines, the Personal Property Manual also contains a Special Properties section with descriptions and asset life tables for:

- Short-life property subject to rapid obsolescence;
- Items similar to real property classified as personal, like mobile and manufactured homes or billboards;
- Generic business equipment found across many industries, like furniture and trade fixtures or computers; and
- Specialized assets like high-tech medical diagnostic equipment whose economic lives differ substantially from industry norms.

Cost Conversion Factors

Based on the acquisition cost, acquisition year and expected life for an item, the assessor should select the appropriate Cost Conversion Factor from the tables published in the Personal Property Manual.

Cost Conversion Factors contain three components: Cost Index, Age and Percent Good. To satisfy the requirement of NAC 361.375(2) the department develops Paasche indexes for manufactured homes, billboards, and business equipment derived from pertinent Marshall Swift comparative cost multiplier tables, the West Urban, All Items CPI index, and the PPI Index for Capital Equipment, Stage of Processing. These indexes inflate replacement cost new expressed in acquisition year nominal dollars into replacement cost new expressed in current year nominal dollars.

Cost indexes do not apply to mobile and manufactured homes first sold prior to July 1, 1982, whose taxable value always equals 20% of their original selling price. Cost indexes for equipment and billboards do not accrue beyond their expected lives; such items have a constant residual cost conversion factor equal to their residual percent good multiplied by the residual year cost index.

To comply with NAC 361.130(2)(b), however, cost indexes do apply to mobile and manufactured homes first sold on or after July 1, 1982. Even though mobile homes fully depreciate after sixteen years, applying the cost index to the years between the current year minus 16 and 1982 may actually produce a temporary increase in taxable value.

NAC 361.1375(4)&(5) specify declining balance depreciation with a 5% residual (salvage value) for all property types except manufactured homes and billboards, which use straight line depreciation. Unless the Department has conducted a market study or has otherwise obtained information which indicates a different residual

amount, the Department currently relies on a double declining balance method for all equipment and a 5% residual; 5% per year depreciation with a 20% residual for mobile homes (16 year life), and 1.5% per year depreciation with a 25% residual for billboards (50 year life).

Percent good equals (1 - accrued depreciation) for the given asset age, where age equals the current year (first year of the biennium) minus the acquisition year. For the 2015-16 fiscal year for example, an asset acquired in 2005 has an age of seven years, a manufactured home first sold in 1992 has an age of twenty years. Although one could calculate depreciation directly, the tables reduce this process to a simple lookup.

To calculate taxable value using the Personal Property Manual, the assessor completes three steps:

- Select the appropriate expected life table,
- Look up the cost conversion factor for the given acquisition year and,
- Multiply the acquisition cost by the indicated cost conversion factor.

As usual, assessed value equals 35% of taxable value.

A NOTE ON NAICS

The North American Industry Classification System (*NAICS)* replaced the Standard Industrial Classification (SIC) in 1997.

According to the US Census Bureau FAQ web page, the North American Industry Classification System (NAICS) was developed under the direction and guidance of the Office of Management and Budget (OMB) as the standard for use by Federal statistical agencies in classifying business establishments for the collection, tabulation, presentation, and analysis of statistical data describing the U.S. economy. Use of the standard provides uniformity and comparability in the presentation of these statistical data. NAICS is based on a production-oriented concept, meaning that it groups establishments into industries according to similarity in the processes used to produce goods or services.

NAICS in the United States was designed for statistical purposes. However, NAICS is frequently used for various administrative, regulatory, contracting, taxation, and other non-statistical purposes

Various agencies and organizations have also begun using NAICS as a basis for their procurement programs, requiring that a NAICS code be provided for each good or service to be procured. NAICS is an industry classification system, not a product classification system, and therefore neither intended nor well suited for this purpose.

Although NAICS does not replace the property type codes currently used by assessors, it does provide a handy reference for users of the Personal Property Manual who need to classify and assign lives to their assets. For additional information and complete tables, readers may consult the US Census Bureau website http://www.census.gov/eos/www/naics/

MANUAL FEATURES

For the convenience of our readers, the Personal Property Manual offers two special features to facilitate its use in E-book (.pdf) format.

- Hyperlinks, which are similar to links on web pages.
- Bookmarks, which make it easy to navigate within this document.

2016-17 COST CONVERSION FACTORS

THREE (3) YEAR LIFE

NEVADA DEPARTMENT OF TAXATION 2016-2017

THREE (3) YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	67.0	33.0	0.3300
2014	2	1.01	89.0	11.0	0.1111
2013	3	1.02	95.0	5.0	0.0510
Residual		1.02	95.0	5.0	0.0510

NEVADA DEPARTMENT OF TAXATION 2016-2017

FIVE (5) YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	40.0	60.0	0.6000
2014	2	1.01	64.0	36.0	0.3636
2013	3	1.02	78.0	22.0	0.2244
2012	4	1.04	87.0	13.0	0.1352
2011	5	1.06	95.0	5.0	0.0530
Residual		1.06	95.0	5.0	0.0530

NEVADA DEPARTMENT OF TAXATION 2016-2017

SEVEN (7) YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	29.0	71.0	0.7100
2014	2	1.01	49.0	51.0	0.5151
2013	3	1.02	64.0	36.0	0.3672
2012	4	1.04	74.0	26.0	0.2704
2011	5	1.06	81.0	19.0	0.2014
2010	6	1.07	88.0	12.0	0.1284
2009	7	1.09	95.0	5.0	0.0545
Residual		1.09	95.0	5.0	0.0545

NEVADA DEPARTMENT OF TAXATION 2016-2017

TEN YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	20.0	80.0	0.8000
2014	2	1.01	36.0	64.0	0.6464
2013	3	1.02	49.0	51.0	0.5202
2012	4	1.04	59.0	41.0	0.4264
2011	5	1.06	67.0	33.0	0.3498
2010	6	1.07	74.0	26.0	0.2782
2009	7	1.09	79.0	21.0	0.2289
2008	8	1.11	84.0	16.0	0.1776
2007	9	1.15	90.0	10.0	0.1150
2006	10	1.20	95.0	5.0	0.0600
Residual		1.20	95.0	5.0	0.0600

NEVADA DEPARTMENT OF TAXATION 2016-2017

15 YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	13.0	87.0	0.8700
2014	2	1.01	25.0	75.0	0.7575
2013	3	1.02	35.0	65.0	0.6630
2012	4	1.04	44.0	56.0	0.5824
2011	5	1.06	51.0	49.0	0.5194
2010	6	1.07	58.0	42.0	0.4494
2009	7	1.09	63.0	37.0	0.4033
2008	8	1.11	68.0	32.0	0.3552
2007	9	1.15	72.0	28.0	0.3220
2006	10	1.20	76.0	24.0	0.2880
2005	11	1.25	80.0	20.0	0.2500
2004	12	1.28	84.0	16.0	0.2048
2003	13	1.30	87.0	13.0	0.1690
2002	14	1.31	91.0	9.0	0.1179
2001	15	1.33	95.0	5.0	0.0665
Residual		1.33	95.0	5.0	0.0665

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20 YEAR LIFE

200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	10.0	90.0	0.9000
2014	2	1.01	19.0	81.0	0.8181
2013	3	1.02	27.0	73.0	0.7446
2012	4	1.04	34.0	66.0	0.6864
2011	5	1.06	41.0	59.0	0.6254
2010	6	1.07	47.0	53.0	0.5671
2009	7	1.09	52.0	48.0	0.5232
2008	8	1.11	57.0	43.0	0.4773
2007	9	1.15	61.0	39.0	0.4485
2006	10	1.20	65.0	35.0	0.4200
2005	11	1.25	69.0	31.0	0.3875
2004	12	1.28	72.0	28.0	0.3584
2003	13	1.30	75.0	25.0	0.3250
2002	14	1.31	78.0	22.0	0.2882
2001	15	1.33	80.0	20.0	0.2660
2000	16	1.36	83.0	17.0	0.2312
1999	17	1.37	86.0	14.0	0.1918
1998	18	1.38	89.0	11.0	0.1518
1997	19	1.40	92.0	8.0	0.1120
1996	20	1.43	95.0	5.0	0.0715
Residual		1.43	95.0	5.0	0.0715

NEVADA DEPARTMENT OF TAXATION 2016-2017
30 YEAR LIFE
200% DECLINING BALANCE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	7.0	93.0	0.9300
2014	2	1.01	13.0	87.0	0.8787
2013	3	1.02	19.0	81.0	0.8262
2012	4	1.04	24.0	76.0	0.7904
2011	5	1.06	29.0	71.0	0.7526
2010	6	1.07	34.0	66.0	0.7062
2009	7	1.09	38.0	62.0	0.6758
2008	8	1.11	42.0	58.0	0.6438
2007	9	1.15	46.0	54.0	0.6210
2006	10	1.20	50.0	50.0	0.6000
2005	11	1.25	53.0	47.0	0.5875
2004	12	1.28	56.0	44.0	0.5632
2003	13	1.30	59.0	41.0	0.5330
2002	14	1.31	62.0	38.0	0.4978
2001	15	1.33	64.0	36.0	0.4788
2000	16	1.36	67.0	33.0	0.4488
1999	17	1.37	69.0	31.0	0.4247
1998	18	1.38	71.0	29.0	0.4002
1997	19	1.40	73.0	27.0	0.3780
1996	20	1.43	75.0	25.0	0.3575
1995	21	1.47	77.0	23.0	0.3381
1994	22	1.50	79.0	21.0	0.3150
1993	23	1.54	81.0	19.0	0.2926
1992	24	1.57	83.0	17.0	0.2669
1991	25	1.64	85.0	15.0	0.2460
1990	26	1.70	87.0	13.0	0.2210
1989	27	1.77	89.0	11.0	0.1947
1988	28	1.84	91.0	9.0	0.1656
1987	29	1.87	93.0	7.0	0.1309
1986	30	1.91	95.0	5.0	0.0955
Residual		1.91	95.0	5.0	0.0955

NEVADA DEPARTMENT OF TAXATION
MOBILE HOMES SOLD ON OR AFTER JULY 1, 1982
16 YEAR STRAIGHT LINE

YEAR FIRST SOLD	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.00	5.0	95.0	0.9500
2014	2	1.03	10.0	90.0	0.9270
2013	3	1.05	15.0	85.0	0.8925
2012	4	1.09	20.0	80.0	0.8720
2011	5	1.13	25.0	75.0	0.8475
2010	6	1.18	30.0	70.0	0.8260
2009	7	1.22	35.0	65.0	0.7930
2008	8	1.18	40.0	60.0	0.7080
2007	9	1.20	45.0	55.0	0.6600
2006	10	1.21	50.0	50.0	0.6050
2005	11	1.27	55.0	45.0	0.5715
2004	12	1.36	60.0	40.0	0.5440
2003	13	1.40	65.0	35.0	0.4900
2002	14	1.45	70.0	30.0	0.4350
2001	15	1.46	75.0	25.0	0.3650
2000	16	1.47	80.0	20.0	0.2940
1999	17	1.47	80.0	20.0	0.2940
1998	18	1.49	80.0	20.0	0.2980
1997	19	1.50	80.0	20.0	0.3000
1996	20	1.51	80.0	20.0	0.3020
1995	21	1.59	80.0	20.0	0.3180
1994	22	1.67	80.0	20.0	0.3340
1993	23	1.69	80.0	20.0	0.3380
1992	24	1.70	80.0	20.0	0.3400
1991	25	1.75	80.0	20.0	0.3500
1990	26	1.85	80.0	20.0	0.3700
1989	27	1.86	80.0	20.0	0.3720
1988	28	1.92	80.0	20.0	0.3840
1987	29	1.98	80.0	20.0	0.3960
1986	30	2.03	80.0	20.0	0.4060
1985	31	2.12	80.0	20.0	0.4240
1984	32	2.05	80.0	20.0	0.4100
1983	33	2.01	80.0	20.0	0.4020
1982	34	1.98	80.0	20.0	0.3960
Residual		1.00	80.0	20.0	0.2000[2]

[2]For Mobile Homes Sold on or Before July 1, 1982.

NEVADA DEPARTMENT OF TAXATION 2016-2017

BILLBOARDS

50 YEAR STRAIGHT LINE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
2016	0	1.00	0.0	100.0	1.0000
2015	1	1.01	1.5	98.5	0.9949
2014	2	1.00	3.0	97.0	0.9700
2013	3	1.02	4.5	95.5	0.9741
2012	4	1.04	6.0	94.0	0.9776
2011	5	1.06	7.5	92.5	0.9805
2010	6	1.08	9.0	91.0	0.9828
2009	7	1.10	10.5	89.5	0.9845
2008	8	1.11	12.0	88.0	0.9768
2007	9	1.15	13.5	86.5	0.9948
2006	10	1.19	15.0	85.0	1.0115
2005	11	1.25	16.5	83.5	1.0438
2004	12	1.30	18.0	82.0	1.0660
2003	13	1.34	19.5	80.5	1.0787
2002	14	1.39	21.0	79.0	1.0981
2001	15	1.41	22.5	77.5	1.0928
2000	16	1.44	24.0	76.0	1.0944
1999	17	1.46	25.5	74.5	1.0877
1998	18	1.49	27.0	73.0	1.0877
1997	19	1.52	28.5	71.5	1.0868
1996	20	1.54	30.0	70.0	1.0780
1995	21	1.59	31.5	68.5	1.0892
1994	22	1.62	33.0	67.0	1.0854
1993	23	1.66	34.5	65.5	1.0873
1992	24	1.70	36.0	64.0	1.0880
1991	25	1.75	37.5	62.5	1.0938
1990	26	1.82	39.0	61.0	1.1102
1989	27	1.89	40.5	59.5	1.1246
1988	28	1.96	42.0	58.0	1.1368

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NEVADA DEPARTMENT OF TAXATION 2016-2017

BILLBOARDS

50 YEAR STRAIGHT LINE

YEAR ACQUIRED	AGE	COST INDEX	PERCENT DEPRECIATION	PERCENT GOOD	CONVERSION FACTOR
1987	29	1.99	43.5	56.5	1.1244
1986	30	2.04	45.0	55.0	1.1220
1985	31	2.09	46.5	53.5	1.1182
1984	32	2.13	48.0	52.0	1.1076
1983	33	2.21	49.5	50.5	1.1161
1982	34	2.33	51.0	49.0	1.1417
1981	35	2.53	52.5	47.5	1.2018
1980	36	2.79	54.0	46.0	1.2834
1979	37	3.06	55.5	44.5	1.3617
1978	38	3.31	57.0	43.0	1.4233
1977	39	3.53	58.5	41.5	1.4650
1976	40	3.77	60.0	40.0	1.5080
1975	41	4.20	61.5	38.5	1.6170
1974	42	4.68	63.0	37.0	1.7316
1973	43	4.96	64.5	35.5	1.7608
1972	44	5.23	66.0	34.0	1.7782
1971	45	5.56	67.5	32.5	1.8070
1970	46	5.88	69.0	31.0	1.8228
1969	47	6.16	70.5	29.5	1.8172
1968	48	6.51	72.0	28.0	1.8228
1967	49	6.83	73.5	26.5	1.8100
1966	50	7.09	75.0	25.0	1.7725
Residual		7.09	75.0	25.0	1.7725

SHORT-LIFE PROPERTY

Expected Life .....Three (3) years

Short-Life Property consists of items prone to rapid obsolescence or susceptible to breakage, loss or abnormal wear and tear. Examples include:

Linens	Uniforms
Glassware	Pots, Pans, Utensils
Barware	Motion Picture Prints
Silverware	Rental Video Tapes, DVDs, CDs

Jigs, Dies, and Molds

Patterns, jigs, dies and molds fall into this category when the type of product manufactured, industry class, use of caustic chemicals, or physical deterioration associated with production volume act to shorten their useful lives and thus require their frequent replacement. Examples include injection molds for plastic parts of high-tech devices or dies used in heavy equipment production.

Ideally, assessors should identify the industrial application and determine the actual service lives of equipment used in current production from owner declarations or surveys of average lives from individual manufacturers before classifying such property as Short-life.

Digital Cameras

Digital cameras fall into basic two categories: professional and snapshot. In recent years, consumer-grade, digital snapshot and video cameras have become a generic commodity. They offer small, flimsy LCD monitors, low image resolution, and lack advanced features like interchangeable lenses. Only snapshot cameras qualify as Short-life property.

INFORMATION SYSTEMS

Life expectancies for computers and peripherals fall into four broad categories:

PCs , tablets, and associated peripherals .....Three (3) years
Mini-computers (AS 400, VAX) .....Three (3) years
Servers ..... Five (5) years
Mainframe computers (IBM 360).....Seven (7) years

An information system consists of computers and peripheral equipment used for processing normal business transactions and the maintenance, retrieval, and analysis of business records.

A computer functions as a programmable, electronically-activated device capable of accepting information, applying prescribed processes to the information, and supplying the results of these processes with or without human intervention. It usually contains a central processing unit that provides storage, logic, arithmetic, and control capabilities. Observe that adding machines and electronic calculators do not fall into this category.

To assign appropriate expected lives to computing equipment, assessors need to recognize the differences among mainframes, servers, client computers and personal computers.

Recent advances in computing technology make differentiating mainframes, minicomputers and servers difficult, especially for laymen. When in doubt, consult manufacturer marketing divisions, service literature, or websites to determine how they classify their various product lines.

A mainframe serves as a high-performance computer used for large-scale computing environments that demand greater availability and security than smaller-scale machines can offer. Banks, government agencies, insurance companies, credit card companies, and other organizations that perform massive transaction processing typically use mainframe systems. It is also possible to obtain a server which contains many "blades," each of which is used for a single application.[2] Currently, there are blade servers that have as many as 160 blades.

Mainframes should not be confused with servers, or with a server that uses software to spin off many virtual servers, each with its own computer operating system. Servers usually cost considerably more than personal computers, have more processing power and substantial amounts of computer memory. They are therefore significantly more expensive than most personal computers and they are often kept in service longer than personal computers. Servers are often dedicated to specific tasks like

- Transaction processing (On Line Transaction or OLT servers)
- print queuing and printing (print server)
- running mission critical software, clustering, fail-over and load-balancing (application server)
- audio and video transmission (audio video server)
- exchanging short bursts of written information and opinions in an environment that offers real-time discussions (chat servers)
- sending and receiving faxes without using fax machines (fax server)
- File Transfer Protocol – moving files between computers while providing security and, organization, and transfer control (FTP server)

Historically, mainframes have been associated with centralized rather than distributed computing, although that distinction has blurred as smaller computers become more powerful and mainframes become more multi-purpose. Today, mainframes can serve both distributed users and smaller servers in computing networks. Interestingly, a mainframe actually resides within a server box.

[2] A major advantage of a blade server is that it dramatically reduces cabling requirements.

A key distinguishing feature of a mainframe is that it takes computing power away from end users and puts it in a central location. Another way to visualize a mainframe is to think of the computer as a super server, with multiple operating systems.

Here is a link to the Family Tree And Chronology of some of the older IBM Mainframes. This link will take you to the IBM page for System Z Mainframes.

By comparison, minicomputers are stand-alone computers (computer systems with attached terminals and other devices) sold to small and mid-size businesses for general business applications and to large enterprises for department-level operations. In recent years, the minicomputer has evolved into the "mid-range server" and is part of a network. IBM's AS/400e is a good example.

Peripheral equipment consists of the auxiliary machines which are designed to be placed under the control of a central processing unit. Peripheral equipment may include card readers, card punches, mass storage units, paper tape equipment, keypunches, data-entry devices, teleprinters, terminals, tape drives, disc drives, disc files, disc packs, visual image projector tubes, card sorters, plotters, collators, small inkjet printers, small laser printers, and small desktop all-in-one devices (e.g. printer/fax/scanner combination) that are sold as commodities in retail outlets and which are rapidly replaced as faster machines with new features are added.

Although one could classify computers by processor architecture, number of users supported, total system throughput, etc, ultimately the classification boils down to total system cost and the total time required to amortize the assets. Again, taxpayer records that reveal the actual service lives and disposition values of their own data processing equipment provide the best source of verifiable market data.

TAXABLE SOFTWARE (NOT ASSOCIATED WITH COMPUTER-INTEGRATED MACHINERY)

Taxable Software not associated with computer-integrated machinery..... Three (3) year life
Nevada law treats standard, prewritten software programs as tangible personal property.[3] A standard prewritten program, often called canned or off-the-shelf software, means a generic application not originally developed and produced for a specific user. This includes any programs, procedures, rules, and associated documentation pertaining to the operation of a computer system. Custom software programs consist of original, one-of-a-kind computer applications developed under contract exclusively for the particular requirements of a specific user. Custom computer programs qualify as exempt intangible personal property pursuant to NRS 361.228.

[3] **According to the IRS, "**Computer software is not a section 197 intangible even if acquired in connection with the acquisition of a business, if it meets all of the following tests.

- It is readily available for purchase by the general public.
- It is subject to a nonexclusive license.
- It has not been substantially modified.

If the software meets the tests above, it can be depreciated and may qualify for the section 179 expense deduction and the special depreciation allowance (if applicable), discussed later. http://www.irs.gov/publications/p225/ch07.html

COMPUTER-INTEGRATED MACHINERY

Expected Life: .....Seven (7) years

Computer integrated machinery, including its integrated programming or software, exhibits the following characteristics:

- The machinery and computer sell as a single unit
- The machinery cannot operate without the computer and the computer cannot perform functions outside the machinery.
- The components of the computer form an integral, structural part of the equipment itself; it is not economically or functionally feasible to replace the computer without replacing the entire machine.
- For income tax purposes, depreciation accrues to the total cost of the machine and computer as a unit.
- The capabilities of the machine cannot be expanded by substituting a more complex computer for the original.
- Embedded programming or pre-loaded software designed primarily for the function of the machine into which it is integrated runs the computer.

Examples of computer-integrated machinery include computer driven mills; computer integrated manufacturing machinery; computer integrated fabrication machinery; computerized machine lathes; and computerized assembly machinery.

COMPUTERIZED EQUIPMENT

Expected Life:

Free-standing computer system ..... Seven (7) years or
Generic personal computer .....Three (3) years
Equipment component.....NAICS industry class life

This category includes machines controlled by computers that sell as a separate unit from the machine and can perform additional functions outside the machine. The assessor should assign expected lives to the two components separately; the computer equipment has the same expected life as similar computer equipment; the machinery has the expected life assigned to its specific industry.

Examples of computerized equipment include computerized machine lathes or computerized assembly machinery.

HIGH-TECH MEDICAL DIAGNOSTIC EQUIPMENT

Expected Life: ..... Five (5) years

High-tech medical diagnostic equipment exhibits these characteristics:

- Used in medical or dental facilities;
- Subject to accelerated functional and economic obsolescence caused by rapid technological development.

Examples include:

Cardiac Ultrasonic Scanners
CAT (Comp Tomography) Scanners
Diagnostic Ultrasounds
General Ultrasonic Scanners
MRI (Magnetic) Scanners
Nuclear Medicine Cameras
OB/GYN Ultrasonic Scanners
PET Scanners (Positron Emission)
All Portable Units of Same

HIGH-TECH ELECTRONIC MEDICAL EQUIPMENT

Expected Life:

Cardiac laser units .....Three (3) years
Other items .....Seven (7) years

High-tech medical diagnostic equipment exhibits these characteristics:

- Used in medical or dental facilities;
- Subject to accelerated functional and economic obsolescence caused by rapid technological development.

Examples include patient monitors of all kinds:

Anesthesia Monitors
Apnea Monitors
Blood Pressure Monitors
Chart Recorders
Defibs
Dopplers
EEG Machines
EKG Machines
External Pace Makers
Heart Rate Devices
Medical Laser Units
Neurological Monitors
Oximeters
Oxygen Analyzers
Spirometers
Systolic Monitors
Temperature Monitors

OFFICE FURNITURE, RETAIL SALES EQUIPMENT, OTHER

This category includes furniture and equipment that can be found across industries.

Description	Life in Years
Air Conditioners	15
Air Conditioners, Window	7
Cash Registers (electronic)	7
Coin-wrap Equipment	15
Copy and Duplicating Machines	5
Cabinets and Shelving	15
Check-out Counters	15
Data Processing Equipment (See Also Information Systems)	7
Décor	15
Displays, Cases, and Racks	15
Mailing Machines	7
Office Furniture (Desks, Chairs, Filing Cabinets)	15
Office Kitchen Appliances (Microwave ovens, refrigerators)	15
POS – Point-of-Sale Computer Systems	7
Signs[4] (Other than billboards and electronic)	15
Signs, Electronic	7
Sound Systems (background and public address)	7

MOBILE OR MANUFACTURED HOMES

This section applies only to mobile or manufactured homes classified as personal property. Pursuant to NRS 361.561, those units identified as a "travel trailer," "utility trailer" and "van conversion," in chapter 482 of NRS and any other vehicle required to be registered with the department of motor vehicles and public safety are subject to property tax unless registered and taxed pursuant to Chapter 371 of NRS. Such unregistered units and vehicles must be taxed in the manner provided in NRS 361.562 to 361.5644, inclusive.

The sticker issued pursuant to NRS 361.5643 must be affixed to a mobile or manufactured home in such a way that the sticker is clearly visible from the street. The window decal is not required for licensed mobile units or on units considered real property and may be issued at the option of the county assessor.

[4] See Appendix F to determine whether signs are real or personal property. Personal property signs include vinyl and fabric banners and sign-waving mannequins.

NRS 361.325(3) segregates mobile homes into two different categories for assessment purposes based on age. Mobile homes sold on or after July 1, 1982 shall be classified according to those factors which most closely determine their useful lives. In establishing the value of other mobile homes, the commission shall begin with the retail selling price and depreciate it by 5 percent per year, but not below 20 percent of its original amount. The assessment ratio in all cases is 35 percent of the computed taxable values. See NAC 361.130 for additional information on the calculation of value for mobile homes.

Depreciation schedules and cost conversion factors apply to the 2013-14 secured and unsecured tax rolls. The 2015-16 Cost Conversion Index for Mobile or Manufactured Homes appears on page 8 of this Manual.

BILLBOARDS

NRS 361.013 defines a billboard as ". . . a sign that directs attention to a business, commodity, service, entertainment or attraction that is sold, offered or exists at a location other than the premises on which the sign is located."

NRS 361.227 requires that depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years. Additional information on the calculation of billboards may be found in NAC 361.1305.

Depreciation schedules and cost conversion factors apply to the 2015-2016 secured and unsecured tax rolls. The 2015-16 Cost Conversion Index for Billboards may be found on page 9 of this manual.

NAICS Industry Code	Description	Life in Years

11 AGRICULTURE AND FORESTRY

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

111 Crop Production 15

Personal property includes machinery and equipment such as tractors, combines, hay balers, forage harvesters, unlicensed farm vehicles including utility trailers, wagons and utensils used to grow crops mainly for food and fiber. The subsection comprises establishments, such as farms, orchards, groves, greenhouses, and nurseries, primarily engaged in growing crops, plants, vines, or trees (including Christmas trees) and their seeds.

Itemized Equipment

Fertilizer Distribution 10

Laser sending and receiving equipment 10

Seed cleaning machinery and equipment 20

Seed cleaning equipment – portable 10

112 Animal Production 15

Personal property includes machinery and equipment used to raise or fatten animals for the sale of animals or animal products. The subsection comprises establishments, such as ranches, farms, and feedlots primarily engaged in keeping, grazing, breeding, or feeding animals. These animals are kept for the products they produce or for eventual sale.

Itemized Equipment

1125 Animal Aquaculture, including nets and pens 7

11212 Dairy Production 15

1123 Egg Packing Equipment 20

113 Forestry and Logging 15

Personal property includes machinery and equipment used to: (1) cut timber; (2) cut and transport timber; and (3) produce wood chips in the field, including stationary saw mills, skidders, and log loaders.

Itemized Equipment

Chain saws 7

Portable saw mill 7

21 MINING

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

2111 Oil and Gas Extraction 20

Personal property used in oil and gas extraction are used to explore for crude petroleum and natural gas. A typical example of personal property in this category would include inventory and spare parts.

Itemized Equipment

Bolted and fiberglass tanks 15
Drilling rigs 15
Heaters, treaters, knockout dryer, separators, conditioning equipment 15
LACT units, metering devices, manifolds 15
Motors, engines, drive units 10
Secondary recovery (injection pumps, re-pressure equipment) 15
Transformers 30

2122 Metal Ore Mining 15

Personal property used in developing the mine site, mining or quarrying dimension stone. A typical example of personal property in this category would include inventory and spare parts.

Itemized Equipment

Oxygen generation 20
Mobile equipment, heavy use* 7

2123 Nonmetallic mineral mining and quarrying 15

Personal property used in developing the mine site, mining or quarrying dimension stone. A typical example of personal property in this category would include inventory and spare parts.

* Heavy use is defined as in operation for more than one shift per day, seven days a week. Mining mobile equipment eligible for this category includes haul packs, loaders, shovels, dozers, graders, backhoes, drilling trucks, and excavators.

NAICS Industry Code	Description	Life in Years

22 UTILITIES

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

2211 Electric Power Generation, Transmission, and Distribution 30

Personal property used in generating, transmitting, and/or distributing electric power. A typical example of personal property in this category would include inventory and spare parts.

2212 Natural Gas Distribution 30

Personal property used in (1) operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers. A typical example of personal property in this category would include inventory and spare parts.

2213 Water, Sewage, and Other Systems 30

Personal property used in establishments primarily engaged in operating water treatment plants and/or operating water supply systems. A typical example of personal property in this category would include inventory and spare parts.

221330 Steam and Air-Conditioning Supply 30

Personal property used in providing steam, heated air, or cooled air. A typical example of personal property in this category would include inventory and spare parts.

23 CONSTRUCTION

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

236 Construction of Buildings 15

237 Heavy and civil engineering construction 15

238 Specialty Trade construction 15

Personal property used primarily in the construction of buildings, major engineering projects such as highways and dams, and specialty trades such as pouring concrete, site preparation, plumbing, painting, and electrical work. Includes fixed load and mobile equipment such as:

Air compressors

Motor graders/leveling graders

NAICS Industry Code	Description	Life in Years
238	**Specialty Trade construction Cont.**	

Air drills
Asphalt plants
Asphalt spreaders
Backhoe/loaders
Carryalls
Cement mixers/spreaders
Crusher/crushing plant
Roadrollers/sheepsfoot rollers
Crawler cranes/ tractors
Ditchers/diggers
Earthmoving scrapers
Excavators
Fork lifts
Front end loaders / bucket loaders
Mixmobiles
Paving equipment
Portable shop
Portable storage bins
Portable storage tanks
Power hoists
Power shovels
Sand classifiers and drags
Scarifiers and rollers
Scrap metal balers
Scrubber screens and plant feeders
Welder
Wiring Equipment

Other Itemized Equipment

Cranes

Bridge	20
Jib	20
Mobile Telescopic	10
Electric generating equipment	20
Electronic controlled infrared/laser instruments	10
Power tools (saws, drills, etc.)	7
Hand tools	7
Mobile equipment, heavy use*	7

* Heavy use is defined as in operation for more than one shift per day, seven days a week

NAICS Industry Code	Description	Life in Years

31 MANUFACTURING

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

311 Food 15

Personal property used in this industry transform livestock and agricultural products into products for intermediate or final consumption. The food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers, but establishments primarily engaged in retailing bakery and candy products made on the premises not for immediate consumption are included. Includes equipment such as walk-in coolers, freezers and other refrigeration, grain tanks, bottling and canning equipment in the following industries:

3111	Animal food manufacturing
3112	Grain and oil seed milling
3113	Sugar and confectionery product manufacturing
3114	Fruit and vegetable preserving and specialty food manufacturing
31141	Frozen food manufacturing
31142	Fruit and vegetable canning
3115	Dairy product manufacturing
3116	Animal slaughtering and processing
3117	Seafood product preparation and packaging
3118	Bakeries and tortilla manufacturing
311811	Retail bakeries
311812	Commercial bakeries
3119	Other food manufacturing, such as honey processing

Itemized Equipment

Cereal manufacturing 20

Grain elevators, non-farm 20

Mechanical portion of packing and sorting line equipment 2nd view 30

Electronic portion of line equipment* 10

312 Beverage and Tobacco Product Manufacturing 15

Personal property used to manufacture beverages and tobacco products. Please note that ice manufacturing, while not a beverage, is included with nonalcoholic beverage manufacturing because it uses the same production process as water purification.

* If electronic component's original cost cannot be separated from other line assets, use 20 years.

NAICS Industry Code	Description	Life in Years
312	**Beverage and Tobacco Product Manufacturing Cont.**	
	Manufacturing processes include:	
	31211 Soft drink manufacturing	
	31212 Breweries	
	31213 Wineries	
	31214 Distilleries	
	Itemized Equipment	
	Cold Storage and Ice-making equipment	20
313	**Textile Mills**	15
	Personal property used in the main processes in this industry which include preparation and spinning of fiber, knitting or weaving of fabric, and the finishing of the textile.	
314	**Textile Product**	15
	Personal property used in creation of textile products. With a few exceptions, processes used in this industry are generally cut and sew (i.e., purchasing fabric and cutting and sewing to make non-apparel textile products, such as sheets and towels).	
315	**Apparel Manufacturing**	15
	Personal property used in the Apparel Manufacturing industry. This industry includes a diverse range of establishments manufacturing full lines of ready-to-wear apparel and custom apparel: apparel contractors, performing cutting or sewing operations on materials owned by others; jobbers performing entrepreneurial functions involved in apparel manufacture; and tailors, manufacturing custom garments for individual clients.	
316	**Leather and Allied Product Manufacturing**	15
	Personal property used to transform hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials, including products (except apparel) made from "leather substitutes," such as rubber, plastics, or textiles It includes dyeing or dressing furs.	
321	**Wood Product Manufacturing**	15
	The production processes of the Wood Product Manufacturing sub sector include sawing, planing, shaping, laminating, and assembling of wood products starting from logs that are cut into bolts, or lumber that then may be further cut, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers.	

NAICS Industry Code	Description	Life in Years
322	**Paper Manufacturing**	15
	3221 Pulp, paper and paperboards mills	15
	Personal property used in the manufacturing of pulp and involves separating the cellulose fibers from other impurities in wood or used paper. The manufacturing of paper involves matting these fibers into a sheet.	
	3222 Converted Paper Product Manufacturing	15
	Personal property used in the manufacture of paperboard containers including corrugating, cutting, and shaping machinery to form paperboard into containers. Paper bag and coated and treated paper manufacturing establishments cut and coat paper and foil. Stationery product manufacturing establishments make a variety of paper products used for writing, filing, and similar applications. Other converted paper product manufacturing includes, in particular, the conversion of sanitary paper stock into such things as tissue paper and disposable diapers.	
323	**Printing and related support activities**	15
	Personal property including presses, used to transfer an image from a plate, screen, film, or computer file to some medium, such as paper, plastics, metal, textile articles, or wood. The most prominent of these methods is to transfer the image from a plate or screen to the medium (lithographic, gravure, screen, and flexographic printing). When publishing and printing are done in the same establishment, the establishment is classified under Industry Code 51, Information.	
	Itemized Equipment	
	Digital or *non-impact printing equipment*	5
	(Uses a computer file to directly "drive" the printing mechanism to create the image)	
	Blue Print Machines	15
	Blue Print Machines – small table model	7
324	**Petroleum and Coal Products Manufacturing**	20
	Personal property used to transform crude petroleum and coal into usable products. The dominant process is petroleum refining that involves the separation of crude petroleum into component products through such techniques as cracking and distillation. Products such as asphalt coatings and petroleum lubricating oils are made.	

NAICS Industry Code	Description	Life in Years
325	**Chemical Manufacturing**	15
	3251 Basic Chemical Manufacturing	15
	Personal property used in both basic chemical processes, such as thermal cracking and distillation, and in petrochemical processes, such as (1) manufacturing acyclic (i.e., aliphatic) hydrocarbons such as ethylene, propylene, and butylenes made from refined petroleum or liquid hydrocarbon and/or (2) manufacturing cyclic aromatic hydrocarbons such as benzene, toluene, styrene, xylene, ethyl benzene, and cumene made from refined petroleum or liquid hydrocarbons.	
	3254 Pharmaceutical and Medicine Manufacturing	15
	Personal property used in one or more of the following: (1) manufacturing biological and medicinal products; (2) processing (i.e., grading, grinding, and milling) botanical drugs and herbs; (3) isolating active medicinal principals from botanical drugs and herbs; and (4) manufacturing pharmaceutical products intended for internal and external consumption in such forms as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions.	
	3255 Paint, Coating, and Adhesive Manufacturing	15
	Personal property used to (1) mix pigments, solvents, and binders into paints and other coatings, such as stains, varnishes, lacquers, enamels, shellacs, and water repellant coatings for concrete and masonry, and/or (2) manufacture allied paint products, such as putties, paint and varnish removers, paint brush cleaners, and frit.	
326	**Plastics and Rubber Products**	15
	3261 Plastics Product Manufacturing	15
	Personal property used in processing new or spent (i.e., recycled) plastics resins into intermediate or final products, using such processes as compression molding; extrusion molding; injection molding; blow molding; and casting.	
	Itemized Equipment	
	Special tools	7
	3262 Rubber Product Manufacturing	15
	Personal property used in the industry group comprised of establishments primarily engaged in processing natural, and synthetic or reclaimed rubber materials into intermediate or final products using processes such as vulcanizing, cementing, molding, extruding, and lathe-cutting.	
	Itemized Equipment	
	Special tools	7

NAICS Industry Code	Description	Life in Years
327	**Nonmetallic Mineral Product**	20

Personal property used to transform mined or quarried nonmetallic minerals, such as sand, gravel, stone, clay, and refractory materials, into products for intermediate or final consumption. Processes used include grinding, mixing, cutting, shaping, and honing.

3271	**Clay Product and Refractory Manufacturing**	15

Personal property used in shaping, molding, glazing, and firing pottery, ceramics, and plumbing fixtures made entirely or partly of clay or other ceramic materials.

3272	**Glass and Glass Product Manufacturing**	15

Personal property used in manufacturing glass and/or glass products. Establishments in this industry may manufacture glass and/or glass products by melting silica sand or cullet, or purchasing glass.

Itemized Equipment

Special tools 5

3273	**Cement and Concrete Product Manufacturing**	20

Personal property used in manufacturing Portland, natural, masonry, pozzalanic, and other hydraulic cements

Itemized Equipment

Quarry equipment{XE "quarry equipment} (Yahoo search)..... 15

Portable ready-mix plants 15

3274	**Lime & Gypsum Product Manufacturing**	20

Personal property used in manufacturing lime from calcitic limestone, dolomitic limestone, or other calcareous materials, such as coral, chalk, and shells. Lime manufacturing establishments may mine, quarry, collect, or purchase the sources of calcium carbonate.

3279	**Abrasive Product Manufacturing**	20

Personal property used in manufacturing abrasive grinding wheels of natural or synthetic materials, abrasive-coated products, and other abrasive products.

327991	**Cut Stone and Stone Product Manufacturing**	15

Personal property used in cutting, shaping, and finishing granite, marble, limestone, slate, and other stone for building and miscellaneous uses. Stone product manufacturing establishments may mine, quarry, or purchase stone.

331	**Primary Metal Manufacturing**	20

Personal property used to smelt and/or refine ferrous and nonferrous metals from ore, pig or scrap, using electrometallurgical and other process metallurgical techniques. Metal alloys and super alloys are also manufactured by introducing other chemical elements to pure metals. The output of smelting and refining, usually in ingot form, is used in rolling,

NAICS Industry Code	Description	Life in Years

drawing, and extruding operations to make sheet, strip, bar, rod, or wire, and in molten form to make castings and other basic metal products.

Includes:

3311 Iron and Steel Mills and Ferroalloy Manufacturing

Itemized Equipment

Special Tools 7

332 Fabricated Metal Product Manufacturing 15

Personal property is used to transform metal into intermediate or end products, other than machinery, computers and electronics, and metal furniture or treating metals and metal formed products fabricated elsewhere. Important fabricated metal processes are forging, stamping, bending, forming, and machining, used to shape individual pieces of metal; and other processes, such as welding and assembling, used to join separate parts together.

Itemized Equipment

Special Tools 5

333 Machinery Manufacturing 15

Personal property used to create end products that apply mechanical force, for example, the application of gears and levers, to perform work. Some important processes for the manufacture of machinery are forging, stamping, bending, forming, and machining that are used to shape individual pieces of metal. Processes, such as welding and assembling are used to join separate parts together. Although these processes are similar to those used in metal fabricating establishments, machinery manufacturing is different because it typically employs multiple metal forming processes in manufacturing the various parts of the machine.

333314 Optical Instrument and Lens Manufacturing 15

Personal property used in: (1) manufacturing optical instruments and lens, such as binoculars, microscopes (except electron, proton), telescopes, prisms, and lenses (except ophthalmic); (2) coating or polishing lenses (except ophthalmic); and (3) mounting lenses (except ophthalmic).

334 Computer and Electronic Product Manufacturing 7

Personal property used in the manufacture of computers, computer peripherals, communications equipment, and similar electronic products and components. The design and use of integrated circuits and the application of highly specialized miniaturization technologies are common elements in the production technologies of the computer and electronic industry.

NAICS Industry Code	Description	Life in Years
3341	**Computer and Peripheral Equipment Manufacturing**	7
	Personal property used in manufacturing and/or assembling electronic computers, such as mainframes, personal computers, workstations, laptops, and computer servers; and computer peripheral equipment, such as storage devices, printers, monitors, input/output devices and terminals.	
	Personal property used in manufacturing wire telephone and data communications equipment. These products may be standalone or board-level components of a larger system. Examples of products made by these establishments are central office switching equipment, cordless telephones (except cellular), PBX equipment, telephones, telephone answering machines, LAN modems, multi-user modems, and other data communications equipment, such as bridges, hubs, routers, and gateways.	
3343	**Audio and Video Equipment Manufacturing**	10
	Personal property used in manufacturing electronic audio and video equipment for home entertainment, motor vehicle, public address and musical instrument amplifications. Examples of products made include video cassette recorders, televisions, stereo equipment, speaker systems, household-type video cameras, jukeboxes, and amplifiers for musical instruments and public address systems.	
3344	**Semiconductor and Other Electronic Components**	5
	Personal property used in manufacturing semiconductors and other components for electronic applications. Examples of products made by these establishments are capacitors, resistors, microprocessors, bare and loaded printed circuit boards, electron tubes, electronic connectors, and computer modems.	
	Includes:	
	clean room equipment, crystal growing equipment, deionized water systems, encapsulation equipment, photo mask and wafer manufacturing equipment, semiconductor chemical and gas systems, semiconductor electrical systems, and semiconductor test equipment.	
3345	**Navigation, Measuring, Medical, Control Instrument Manufacturing**	7
	Personal property used in manufacturing navigational, measuring, electro medical, and control instruments. Examples of products made by these establishments are aeronautical instruments, appliance regulators and controls (except switches), laboratory analytical instruments, navigation and guidance systems, and physical properties testing equipment.	
335	**Electrical Equipment, Appliance, and Component Manufacturing**	15
	Personal property used to manufacture products that generate, distribute and use electrical power, such as electric lamp bulbs, lighting fixtures, small and major electrical appliances,	

electric motors, generators, transformers, switchgear apparatus, devices for storing electrical power (e.g., batteries), for transmitting electricity (e.g., insulated wire), and wiring devices (e.g., electrical outlets, fuse boxes, and light switches).

336 Transportation Equipment Manufacturing 15

Personal property used in production processes similar to those of other machinery manufacturing establishments - bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products.

The section includes:

3361 Motor Vehicle Manufacturing

3362 Motor Vehicle Body & Trailer Manufacturing

3363 Motor Vehicle Parts Manufacturing

3365 Railroad Rolling Stock Manufacturing

3364 Aerospace Product and Parts Manufacturing..... 15

Personal property used in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (3) developing and making prototypes of aerospace products; (4) aircraft conversion (i.e., major modifications to systems); and (5) complete aircraft or propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).

This section includes:

336412 Aircraft Engine and Engine Parts Manufacturing

337 Furniture and Related Product Manufacturing 10

Personal property used to make furniture and related articles, such as mattresses, window blinds, cabinets, and fixtures. The processes used in the manufacture of furniture include the cutting, bending, molding, laminating, and assembly of such materials as wood, metal, glass, plastics, and rattan.

339 Miscellaneous Manufacturing..... 15

Personal property used in the manufacture of products as diverse as medical equipment and supplies, jewelry, sporting goods, toys, and office supplies.

33991 Jewelry and Silverware Manufacturing 15

Personal property used in: (1) manufacturing, engraving, chasing, or etching jewelry; (2) manufacturing metal personal goods (i.e., small articles carried on or about the person, such as compacts or cigarette cases); (3) manufacturing, engraving, chasing, or etching precious metal solid, precious metal clad, or pewter cutlery and flatware; (4) manufacturing, engraving, chasing, or etching personal metal goods (i.e., small articles carried on or about the person, such

as compacts or cigarette cases); (5) stamping coins; (6) manufacturing unassembled jewelry parts and stock shop products, such as sheet, wire, and tubing; (7) cutting, slabbing, tumbling, carving, engraving, polishing, or faceting precious or semiprecious stones and gems; (8) re-cutting, re-polishing, and setting gem stones; and (9) drilling, sawing, and peeling cultured and costume pearls.

42 WHOLESALE TRADE

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

423 **Wholesale Trade Fixtures and Equipment** 15

Trade fixtures (as opposed to fixtures) and equipment are used in establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office.

See also separate listings for specific types of equipment.

44 RETAIL TRADE

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

Includes the personal property for the following:

441 **Motor Vehicle and Parts Dealers** 15
442 **Furniture and Home Furnishing Stores** 15
443 **Electronics and Appliance Stores** 15
444 **Building Material and Garden Equipment and Supply Stores** 15
445 **Food and Beverage Stores (including Convenience Stores)** 15
446 **Health and Personal Care Stores** 15
447 **Gasoline Stations** 15
448 **Clothing and Clothing Accessories Stores** 15
451 **Sporting Goods, Hobby, Book, and Music Stores** 15
452 **General Merchandise Stores** 15
453 **Miscellaneous Store Retailers, including** 15
4531 Florists 15
454 **Non-store Retailers** 15

See also separate listings for specific types of equipment.

NAICS Industry Code	Description	Life in Years

48 TRANSPORTATION AND WAREHOUSING

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

481 Air Transportation 20

Personal property includes most airplanes, helicopters (rotorcraft) and aircraft have a life of 20 years. There are some exceptions, which are itemized below.

Itemized Equipment

Kit built Aircraft 15

Gliders 15

Hot Air Balloons 15

Experimental Aircraft..... 15

482 Rail Transportation..... 20

482112 Short Line Railroads

Itemized Equipment

Railroad Rolling Stock 20

483 Water Transportation 20

Personal property used in providing inland water transportation of passengers and/or cargo on lakes, rivers, or intracoastal waterways.

484 Truck Transportation 10

Itemized Equipment

Light Trucks 7

General freight Trucks 10

Tractor-trailers 10

485 Transit and Ground Passenger Transportation…….. 10

Personal property includes equipment used in Transit and Ground Passenger Transportation. This industry includes a variety of passenger transportation activities, such as urban transit systems; chartered bus, school bus, and interurban bus transportation and taxis.

Itemized Equipment

Buses..... 15

Automobiles, unlicensed..... 7

NAICS Industry Code	Description	Life in Years
492	**Couriers and Messengers**	15

Personal property used in the provision of intercity and/or local delivery of parcels. These articles can be described as those that may be handled by one person without using special equipment. Messengers, which usually deliver within a metropolitan or single urban area, may use bicycle, foot, small truck, or van.

493	**Warehousing and Storage**	15

Personal property used in operating warehousing and storage{XE "storage:} facilities for general merchandise, refrigerated goods, and other warehouse products. These establishments provide facilities to store goods. They do not sell the goods they handle.

51 INFORMATION

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

511	**Publishing Industries**	15

Personal property used in the publishing of newspapers, magazines, other periodicals, and books, as well as directory and mailing list and software publishing.

512	**Motion Picture Production & Sound Recording**	7

Personal property used in the production and/or distribution of motion pictures, videos, television programs, or commercials; in the exhibition of motion pictures; or in the provision of postproduction and related services. Sound recording machinery and equipment is used in producing and distributing musical recordings, in publishing music, or in providing sound recording and related services.

512131	**Motion Picture Theaters**	15

Includes projection equipment, furniture and trade fixtures.

515	**Broadcasting and Telecommunications**	See Categories
51511	**Radio Broadcasting**	10

Personal property used in broadcasting audio signals. These establishments operate radio broadcasting studios and facilities for the transmission of aural programming by radio to the public, to affiliates, or to subscribers. In recognition of the FCC change from analog to digital broadcasting equipment in radio, television, and cable industries, all analog equipment MAY be valued using a seven-year life. All other equipment will remain at the life indicated. The assessor will still be responsible for measuring obsolescence if any.

NAICS Industry Code	Description	Life in Years
51511	**Radio Broadcasting Cont.**	
	Itemized Equipment	
	Radio Production Equipment	7
	Service and Repair Equipment	10
51512	**Television Broadcasting**	**10**
	Personal property used in broadcasting images together with sound. These establishments operate television broadcasting studios and facilities for the programming and transmission of programs to the public. In recognition of the FCC mandated change from analog to digital broadcasting equipment in radio, television, and cable industries, all analog equipment MAY be valued using a three-year life. All other equipment will remain at the life indicated. The assessor will still be responsible for measuring obsolescence if any.	
	Itemized Equipment	
	Television Production Equipment	7
	Service and Repair Equipment	10
517	**Telecommunications**	**See itemized equipment**
	Wired telecommunications personal property used in (1) operating and maintaining switching and transmission facilities to provide point-to-point communications via landlines, microwave, or a combination of landlines and satellite linkups or (2) furnishing telegraph and other non-vocal communications using their own facilities. Wireless telecommunications assets are used in operating and maintaining switching and transmission facilities that provide omni-directional communications via airwaves, such as cellular telephone or paging services.	
	Itemized Equipment	
	Central Office Equipment, except computer-based switching equipment	15
	Computer-based switching equipment	5
	Distribution Plant (if personal property)	30
	Fiber optic cable	15
	Paging Systems	5
	Microwave Systems, except towers	10
	Station Equipment	10
	Telephone equipment, including, telex, facsimile and Two-Way Radio	5
	Cellular Telephones, Hand-helds, and PDAs	3

NAICS Industry Code	Description	Life in Years

517110 Cable and Other Program Distribution ..... See itemized equipment

Personal property used in distribution systems for broadcast programming. Head end assets are defined as the electronic control center -- generally located at the antenna site of a CATV system -- usually including antennas, preamplifiers, frequency converters, demodulators, modulators and other related equipment which amplify, filter and convert incoming broadcast TV signals to cable system channels. Microwave systems include assets such as antennas, transmitting and receiving equipment, and broad band microwave assets. Program origination equipment includes assets such as cameras, film chains, video tape recorders, lighting, and remote location equipment excluding vehicles. Service and test assets include oscilloscopes, field strength meters, spectrum analyzers, and cable testing equipment. Subscriber connection and distribution systems include assets such as trunk and feeder cable, connecting hardware, amplifiers, power equipment, passive devices, directional taps, pedestals, pressure taps, drop cables, matching transformers, multiple set connector equipment, and converters. In recognition of the FCC mandated change from analog to digital broadcasting equipment in radio, television, and cable industries all analog equipment MAY be valued using a seven-year life. All other equipment will remain at the life indicated. The assessor will still be responsible for measuring obsolescence if any.

Itemized Equipment

Coaxial Cable, installed inside buildings	15*
Fiber Optic Cable	15
Head end Equipment, except towers	10
Microwave Systems, except towers	10
Program Origination Equipment	10
Satellite Dish Relay; Earth station equipment	10
Box converters having specialized computer components	3
Service and Test Equipment	10
Subscriber Connection and Distribution Systems	10

518 Internet Service Providers, Web Search Portals, and Data Processing Services

For life expectancy, please see Special Properties

Personal property assets used by Internet Service Providers, Web Search Portals, and Data Processing Services to provide: (1) access to the Internet; (2) search facilities for the Internet; and (3) data processing, hosting, and related services.

519 Other Information Services 15

* Additional analysis for obsolescence may be necessary for coaxial cable located outside and subject to extreme environmental conditions.

NAICS Industry Code	Description	Life in Years

Personal property assets used in supplying information, storing information, providing access to information, and searching and retrieving information. The main components of this group are news syndicates, libraries, and archives. It includes law and medical libraries.

53 REAL ESTATE, RENTAL, AND LEASING

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

532 Rental and Leasing Services 15

Personal property includes a wide array of tangible goods, such as automobiles, computers, consumer goods, and industrial machinery and equipment, to customers in return for a periodic rental or lease payment.

Itemized Equipment

Formal wear and costume rental 3
Bottled water Dispensers & Equipment 7
Furniture Rental & Leasing 7
Heavy equipment ..... See Construction (Code 23)
Lawn and Garden equipment 7
Linens and Uniforms 3
Musical Instrument rentals 7
Rent-to-Own Merchandise 7
Ski Equipment Rentals 7
Video Tapes ..... See Special Properties
See also separate listings for specific types of equipment.

54 PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

- See itemized equipment

Itemized Equipment

Laboratory equipment , except electronic & computerized 15
Laboratory equipment, electronic and computerized 7
Medical and law libraries (See also other information services) 15
Photography 15

54 PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES CONT

Professional and scientific equipment (See also NAICS Code 3345) 7

Professional libraries..... 15

Surveying equipment

GPS 7

Non-GPS 15

56 WASTE MANAGEMENT AND REMEDIATION SERVICES

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

5616 Investigation and Security Services 15

Personal property includes burglar and fire alarms and locking devices, along with equipment necessary for installation, repair, or monitoring services or (2) remote monitoring of electronic security alarm systems.

Itemized Equipment

Closed Circuit TV – Camera System 7

Firearms 20

Locksmith equipment, including:

Mechanical and electronic locking devices 20

Safes and security vaults..... 20

5617 Services to Buildings and Dwellings 15

Includes the fixtures and equipment for the following:

56171 Exterminating and Pest Control Services
56172 Janitorial Services
56173 Landscaping Services
56174 Carpet and Upholstery Cleaning Services

Itemized Equipment

Carpet Cleaning 15

Lawn mowing Equipment 7

562 Waste Management and Remediation Services 10

Personal property used in the collection, treatment, and disposal of waste materials. This includes establishments engaged in local hauling of waste materials; operating materials recovery facilities (i.e., those that sort recyclable materials from the trash stream); providing remediation services (i.e., those that provide for the cleanup of contaminated

NAICS Industry Code	Description	Life in Years
	buildings, mine sites, soil, or ground water); and providing septic pumping and other miscellaneous waste management services.	
	Itemized Equipment	
	Garbage Dumpsters	10
	Portable toilets	10

62 HEALTH CARE AND SOCIAL ASSISTANCE

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

621	**Ambulatory Health Care Services**	**15**
	Personal property used by health practitioners in the provision of outpatient services, with the facilities and equipment not usually being the most significant part of the production process. Includes the fixtures and equipment for the following:	
	6211 Offices of Physicians	
	6212 Offices of Dentists	
	6213 Offices of Other Health Practitioners, including Chiropractors, Optometrists, Mental Health Practitioners, and Physical, Occupational, and Speech Therapists	
	Medical and dental instruments not otherwise noted in Special Properties, include:	

All Portable Units of Same

Angiographic X-ray units

Chest X-ray Units

Dental X-ray Units

Exam tables and chairs

Fluorographic X-ray Units

Lensometer

Mammographic X-ray Units

Mesoptometers

Microscopes

Portable X-ray Units

Radiographic X-ray Units

Special Procedure X-ray Units

Sterilizers

622 Hospitals 15

Personal property used to provide inpatient health services, particularly specialized facilities and equipment that form a significant and integral part of the production process. See list above for examples of equipment.

See also Special Properties for Medical Diagnostic and Medical Lab.

6244 Child Day Care Facilities 10

Personal property used in providing day care of infants or children.

71 ARTS, ENTERTAINMENT, AND RECREATION

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

711 Performing Arts, Spectator Sports, and Related 10

Includes projection equipment, furniture and trade fixtures such as movable set props, aerial and acrobatic equipment, rigging, costumes, production lighting, and special effects equipment.

Itemized Equipment

Electronic Equipment including Sound Systems 7

Seating, stages including fixed set designs, hydraulics, fountains 15

Support operations, including equipment and furniture for dressing rooms, ticket booths, snack bars, offices ..... 15[8]

Water tanks..... 20[9]

711212 Car racing – race cars 3

713 Amusement, Gambling and Recreation Industries 15

Personal property used to (1) operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or (2) provide other amusement and recreation services, such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment.

Itemized Equipment

Amusement Park (does not include structures) 15

Bowling Alley Pinsetters and Other Equipment 15

Bowling Electronic Scoring Machines 7

Gaming Equipment:
Electronic, slots, or computers..... 7

Gaming Equipment Cont.:

Player tracking systems..... 7

Mechanical slots 15

Other 15

Golf Carts, electric 7

Golf Course Machinery & Equipment, except lawn mowing equipment..... 15

Golf Course: Lawn Mowing Equipment..... 7

Juke Box..... 15

Ski Area Equipment: Snow Cats and Packers 7

Ski Rentals..... 7

Video and Flipper Games 7

72 ACCOMMODATION AND FOOD SERVICES

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

[8] May be considered to be real property fixtures. The cost may be established from Marshall/Swift.
[9] May be considered to be real property fixtures. The cost may be established from Marshall/Swift.

721 Accommodation..... 15

Personal property used in: (1) traveler accommodation, (2) recreational accommodation, and (3) rooming and boarding houses.

Itemized Equipment

Apartment Furnishings..... 15
Hotel Furnishings..... 15
Outdoor Patio Furnishings..... 7
Fire and Security Equipment..... 15
Health Spa Equipment: Manual..... 15
Health Spa Equipment: Electronic..... 7
Heavy use Washers..... 7
Linens, glassware, silverware, and uniforms (not rented)..... 3
Televisions..... 5
Telephone Systems (See also NAICS Code 517)..... 5

722 Food Services and Drinking Places..... 15

The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

722 Food Services and Drinking Places Cont.

Itemized Equipment

Bar..... 15
Coffee Brewing Equipment..... 15
Walk-in coolers (See Also NAICS 311)..... 15
Linens, glassware, silverware, and uniforms (not rented)..... 3
Televisions, Digital..... 5
Televisions, Analog..... 5
Vending Machines..... 15

81 OTHER SERVICES..... 15

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

811 Repair and Maintenance 15

Personal property used to restore machinery, equipment, and other products to working order. These establishments also typically provide general or routine maintenance (i.e., servicing) on such products to ensure they work efficiently and to prevent breakdown and unnecessary repairs.

Includes the fixtures and equipment for the following:

8111 Automobile Repair and Maintenance

811192 Car Washes

8112 Electronic & Precision Equipment

8113 Commercial Equipment Repair and Maintenance

8114 Personal and Household Goods Repair and Maintenance

81143 Footwear and Leather Goods Repair

Itemized Equipment

Auto Repair Diagnostic Equipment (Electronic) 7

Small Tools (See Hand Tools, NAICS 423120) 7

Welding Equipment..... 15

812 Personal and Laundry Services..... 15

Includes the equipment and some trade fixtures for the following (See Appendix D for determination of real or personal property):

8121 Personal Care Services

81211 Hair, nail and skin care services

81219 Other, including Diet and weight reducing – fitness

8122 Death Care Services

81221 Funeral Homes

81222 Cemeteries and Crematories

8123 Dry cleaning and Laundry Services

81231 Coin-operated Laundries and Drycleaners

81232 Dry cleaning and Laundry, except coin-operated

8129 Other Personal Services

81291 Pet Care (except Veterinary)

81292 Photo-finishing

Itemized Equipment

Coin Laundries 15
Heavy Use Washers 7
Commercial Dry Cleaning Equipment 15

APPENDIX A

2016-17 PERSONAL PROPERTY MANUAL

NEVADA REVISED STATUTES AND NEVADA ADMINISTRATIVE CODE RELATED TO PERSONAL PROPERTY

(This listing may not be comprehensive. Please consult the statutes and regulations. You may find the statutes and regulations on the internet at http://leg.state.nv.us/law1.cfm).

Nevada Revised Statutes

NRS 361.013 "Billboard" defined. "Billboard" means a sign that directs attention to a business, commodity, service, entertainment or attraction that is sold, offered or exists at a location other than the premises on which the sign is located.

(Added to NRS by 1989, 1817)

NRS 361.028 "Manufactured home" defined. "Manufactured home" has the meaning ascribed to it in NRS 489.113.

(Added to NRS by 2001, 1540)

NRS 361.029 "Mobile home" defined. "Mobile home" means a vehicular structure, built on a chassis or frame, which is designed to be used with or without a permanent foundation and is capable of being drawn by a motor vehicle. It may be used as a dwelling when connected to utilities or may be used permanently or temporarily for the advertising, sales, display or promotion of merchandise or services. The term does not include a recreational park trailer as defined in NRS 482.1005.

(Added to NRS by 1989, 169; A 2001, 1727)

NRS 361.030 "Personal property" defined.

1. "Personal property" means:

(a) All household and kitchen furniture.

(b) All law, medical and miscellaneous libraries.

(c) All goods, wares and merchandise.

(d) All chattels of every kind and description, except vehicles as defined in NRS 371.020.

(e) Stocks of goods on hand.

(f) Any vehicle not included in the definition of vehicle in NRS 371.020.

(g) All locomotives, cars, rolling stock and other personal property used in operating any railroad within the State.

(h) All machines and machinery, all works and improvements, all steamers, vessels and watercraft of every kind and name navigating or used upon the waters of any river or lake within this State or having a general depot or terminus within this State.

(i) The money, property and effects of every kind, except real estate, of all banks, banking institutions or firms, bankers, moneylenders and brokers.

(j) All property of whatever kind or nature, except vehicles as defined in NRS 371.020, not included in the term "real estate" as that term is defined in NRS 361.035.

2. Gold-bearing and silver-bearing ores, quartz or minerals from which gold or silver is extracted, when in the hands of the producers thereof, shall not mean, not be taken to mean, nor be listed and assessed under the term "personal property" as used in this section, but are specially excepted therefrom, and shall be listed, assessed and taxed as provided by law.

[Part 3:344:1953]—(NRS A 1963, 305, 1121; 1983, 1191; 2013, 3115)

NRS 361.045 Taxable property. Except as otherwise provided by law, all property of every kind and nature whatever within this state shall be subject to taxation.

[Part 1:344:1953; A 1954, 29; 1955, 340]

NRS 361.227 Determination of taxable value.

1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

2. The unit of appraisal must be a single parcel unless:

(a) The location of the improvements causes two or more parcels to function as a single parcel;

(b) The parcel is one of a group of contiguous parcels which qualifies for valuation as a subdivision pursuant to the regulations of the Nevada Tax Commission; or

(c) In the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit.

3. The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of NRS 361.157 or 361.159 must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation, except that the taxable value so determined must be reduced by a percentage of the taxable value that is equal to the:

(a) Percentage of the property that is not actually leased by the lessee or used by the user during the fiscal year; and

(b) Percentage of time that the property is not actually leased by the lessee or used by the user during the fiscal year, which must be determined in accordance with NRS 361.2275.

4. The taxable value of other taxable personal property, except a mobile or manufactured home, must be determined by subtracting from the cost of replacement of the property all applicable depreciation and obsolescence. Depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years.

5. The computed taxable value of any property must not exceed its full cash value. Each person determining the taxable value of property shall reduce it if necessary to comply with this requirement. A person determining whether taxable value exceeds that full cash value or whether obsolescence is a factor in valuation may consider:

(a) Comparative sales, based on prices actually paid in market transactions.

(b) A summation of the estimated full cash value of the land and contributory value of the improvements.

(c) Capitalization of the fair economic income expectancy or fair economic rent, or an analysis of the discounted cash flow.

➥ A county assessor is required to make the reduction prescribed in this subsection if the owner calls to his or her attention the facts warranting it, if the county assessor discovers those facts during physical reappraisal of the property or if the county assessor is otherwise aware of those facts.

6. The Nevada Tax Commission shall, by regulation, establish:

(a) Standards for determining the cost of replacement of improvements of various kinds.

(b) Standards for determining the cost of replacement of personal property of various kinds. The standards must include a separate index of factors for application to the acquisition cost of a billboard to determine its replacement cost.

(c) Schedules of depreciation for personal property based on its estimated life.

(d) Criteria for the valuation of two or more parcels as a subdivision.

7. In determining, for the purpose of computing taxable value, the cost of replacement of:

(a) Any personal property, the cost of all improvements of the personal property, including any additions to or renovations of the personal property, but excluding routine maintenance and repairs, must be added to the cost of acquisition of the personal property.

(b) An improvement made on land, a county assessor may use any final representations of the improvement prepared by the architect or builder of the improvement, including, without limitation, any final building plans, drawings, sketches

and surveys, and any specifications included in such representations, as a basis for establishing any relevant measurements of size or quantity.

8. The county assessor shall, upon the request of the owner, furnish within 15 days to the owner a copy of the most recent appraisal of the property, including, without limitation, copies of any sales data, materials presented on appeal to the county board of equalization or State Board of Equalization and other materials used to determine or defend the taxable value of the property.

9. The provisions of this section do not apply to property which is assessed pursuant to NRS 361.320.

(Added to NRS by 1965, 1445; A 1969, 1451; 1975, 65, 1656; 1977, 1318; 1979, 79; 1981, 788, 789; 1983, 1047, 1884, 1885; 1987, 2075; 1989, 668, 1818; 1993, 2312; 1997, 1111; 1999, 1029; 2001, 842; 2003, 2758; 2009, 1216; 2013, 3116)

NRS 361.265 Written statement concerning personal property: Demand; contents; return of statement; valuation of unlisted property claimed by absent or unknown person; penalties.

1. To enable the county assessor to make assessments, he or she shall demand from each natural person or firm, and from the president, cashier, treasurer or managing agent of each corporation, association or company, including all banking institutions, associations or firms within the county, a written statement, signed under penalty of perjury, on forms and in the format prescribed by the county assessor of all the personal property within the county, owned, claimed, possessed, controlled or managed by those persons, firms, corporations, associations or companies. The signature required by this subsection may include an electronic signature as defined in NRS 719.100.

2. The statement must include:

(a) A description of the location of any taxable personal property that is owned, claimed, possessed, controlled or managed by the natural person, firm, corporation, association or company, but stored, maintained or otherwise placed at a location other than the principal residence of the natural person or principal place of business of the firm, corporation, association or company;

(b) The cost of acquisition of each item of taxable personal property including the cost of any improvements of the personal property, such as additions to or renovations of the property other than routine maintenance or repairs, and the year in which each item of taxable personal property was acquired; and

(c) If the natural person, firm, corporation, association or company owns at least 25 mobile or manufactured homes that are being leased within the county for commercial purposes, and those homes have not been converted to real property pursuant to NRS 361.244, the year, make or model, size, serial number and location of each such mobile or manufactured home.

3. The statement must be returned not later than July 31, except for a statement mailed to the taxpayer after July 15, in which case it must be returned within 15 days after demand for its return is made. Upon petition of the property owner showing good cause, the county assessor may grant one or more 30-day extensions.

4. If the owners of any taxable property not listed by another person are absent or unknown, or fail to provide the written statement as described in subsection 1, the county assessor shall make an estimate of the value of the property and assess it accordingly. If the name of the absent owner is known to the county assessor, the property must be assessed in that name. If the name of the owner is unknown to the county assessor, the property must be assessed to "unknown owner," but no mistake made in the name of the owner or the supposed owner of personal property renders the assessment or any sale of the property for taxes invalid.

5. If any person, officer or agent neglects or refuses on demand of the county assessor or his or her deputy to give the statement required by this section, or gives a false name, or refuses to give his or her name or sign the statement, the person, officer or agent is guilty of a misdemeanor.

[Part 5:344:1953]—(NRS A 1967, 558; 1969, 1452; 1981, 327; 1983, 519, 1193; 1985, 748; 1987, 531; 1989, 1820; 2003, 2761; 2005, 2656)

NRS 361.325 Nevada Tax Commission to establish valuations of mobile homes and land; property escaping taxation to be placed on assessment roll.

1. On or before the first Monday in June of each year, the Nevada Tax Commission shall:

(a) Fix and establish the valuation for assessment purposes of all mobile homes in the State.

(b) Classify land and fix and establish the valuation thereof for assessment purposes. The classification of agricultural land must be made on the basis of crop, timber or forage production, either in tons of crops per acre, board feet or other unit, or animal unit months of forage. An animal unit month is the amount of forage which is necessary for the complete sustenance of one animal unit for 1 month. One animal unit is defined as one cow and calf, or its

equivalent, and the amount of forage necessary to sustain one animal unit for 1 month is defined as 900 pounds of dry weight forage.

2. The valuation of mobile homes and land so fixed and established is for the next succeeding year and is subject to equalization by the State Board of Equalization.

3. In establishing the value of new mobile homes sold on or after July 1, 1982, the Nevada Tax Commission shall classify them according to those factors which most closely determine their useful lives. In establishing the value of other mobile homes, the Commission shall begin with the retail selling price and depreciate it by 5 percent per year, but not below 20 percent of its original amount.

4. The Nevada Tax Commission shall cause to be placed on the assessment roll of any county property found to be escaping taxation coming to its knowledge after the adjournment of the State Board of Equalization. This property must be placed upon the assessment roll prior to the delivery thereof to the ex officio tax receiver. If such property cannot be placed upon the assessment roll of the proper county within the proper time, it must be placed upon the tax roll for the next ensuing year, in addition to the assessment for the current year, if any, and taxes thereon must be collected for the prior year in the same amount as though collected upon the prior year's assessment roll.

5. The Nevada Tax Commission shall not raise or lower any valuations established by the State Board of Equalization unless, by the addition to any assessment roll of property found to be escaping taxation, it is necessary to do so.

6. Nothing in this section provides an appeal from the acts of the State Board of Equalization to the Nevada Tax Commission.

[7:177:1917; A 1929, 299; 1939, 279; 1945, 78; 1953, 576]—(NRS A 1957, 314; 1963, 1123; 1967, 825; 1975, 1105, 1660, 1762; 1981, 859; 1983, 1195)

Nevada Administrative Code

NAC 361.1127 "Fixture" defined. (NRS 360.090, 360.250) "Fixture" means an item, other than a trade fixture, that was originally personal property which has been installed or attached to land or an improvement in a permanent manner. As used in this section, "installed or attached to land or an improvement in a permanent manner" means that:

1. Either:

(a) An item is attached to, imbedded in or permanently resting upon land or an improvement, or is attached by other means that are normally used for permanent installation, and cannot be removed without substantially damaging the item or the land or improvement with which it is being used; or

(b) The use or purpose of an item that is not otherwise physically annexed to land or an improvement is so adapted that it is:

(1) A necessary, integral or working part of the land or improvement;

(2) Designed or committed for use with the land or improvement; or

(3) So essential to the land or improvement that the land or improvement cannot perform its desired function without the nonattached item; and

2. A reasonable person would consider the item to be a permanent part of the land or improvement, taking into account annexation, adaptation and other objective manifestations of permanence, including, without limitation, whether:

(a) Removal of the item would destroy the item or cause significant damage to the real property to which it is installed or attached;

(b) The historic use of the item indicates an intention to leave the item in place;

(c) The terms of a written agreement between parties indicates the intention of a tenant or lessee to remove or transfer ownership of the item; or

(d) Ownership of the item would be conveyed with a transfer of the real property to which it is installed or attached.

(Added to NAC by Tax Comm'n by R039-10, 8-13-2010, eff. 7-1-2012; A by R068-12, 9-14-2012)

NAC 361.11715 "Real property" defined. (NRS 360.090, 360.250)

1. "Real property" has the meaning ascribed to it in NRS 361.035 and includes:

(a) Land;

(b) Fixtures;

(c) Improvements;

(d) On-site enhancements; and

(e) Any rights, interests, benefits and privileges belonging or attached to the land.

2. The term does not include a trade fixture.

(Added to NAC by Tax Comm'n by R039-10, 8-13-2010, eff. 7-1-2012; A by R068-12, 9-14-2012)

NAC 361.130 Mobile or manufactured home. (NRS 360.090, 360.250, 361.227, 361.2445, 361.325)

1. The taxable value of a mobile home or manufactured home which constitutes real property is the cost of replacement of the mobile home or manufactured home less depreciation and obsolescence.

2. In determining the taxable value of a mobile home or manufactured home which constitutes personal property, each county assessor shall, if the mobile home or manufactured home was sold as new:

(a) Before July 1, 1982, value it at its retail selling price when sold to the original owner less depreciation at 5 percent per year, to a maximum depreciated value of 20 percent of its original retail selling price.

(b) On or after July 1, 1982, value it at replacement cost, when new, less depreciation. Replacement cost when new is the retail selling price to the original owner adjusted by factors reflected in the annual *Personal Property Manual*.

➥ Depreciation must be calculated pursuant to the schedule located in the annual *Personal Property Manual*. Additional depreciation and obsolescence may be calculated separately.

3. The retail selling price of a mobile home or manufactured home includes all charges for transportation, installation, accessories, profit and overhead.

4. If the owner of a mobile home or manufactured home which has been converted to real property wishes to convert the mobile home or manufactured home back to personal property, the county assessor shall provide the owner with a form for an affidavit of conversion which has been approved by the Commission and which must be recorded in the county recorder's office pursuant to NRS 361.2445 before the mobile home or manufactured home may be removed from the tax rolls. The affidavit of conversion may include information concerning the cost of acquisition of the mobile home or manufactured home. All signatures required pursuant to NRS 361.2445 to effectuate the conversion must be notarized.

5. The county assessor shall value the mobile home or manufactured home as personal property upon satisfaction of all the requirements set forth in NRS 361.2445 if the mobile home or manufactured home remains within the jurisdiction of the county assessor.

6. If a mobile home or manufactured home which has been converted to real property is completely destroyed and removed from real property, the county assessor shall remove the mobile home or manufactured home from the tax roll.

[Tax Comm'n, Property Tax Reg. part No. 2, eff. 1-14-82]—(NAC A 10-10-83; 6-29-84; 5-16-86; R031-03, 8-4-2004; R166-07, 6-17-2008)

NAC 361.1305 Billboards. (NRS 360.090, 360.250, 361.227)

1. The taxable value of a billboard is the cost of replacement of the billboard less depreciation and obsolescence.

2. The cost of replacement of a billboard must be computed by multiplying the cost of acquisition to the current owner by the appropriate factor located in the annual *Personal Property Manual*. The factor that corresponds to the year the billboard was acquired must be used. Additional depreciation and obsolescence may be calculated separately.

(Added to NAC by Tax Comm'n, eff. 8-2-90; A by R031-03, 8-4-2004)

Determination of Taxable Value of Personal Property

NAC 361.1345 Definitions. (NRS 360.090, 360.250, 361.227) As used in NAC 361.1345 to 361.139, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.1351, 361.1355 and 361.1361 have the meanings ascribed to them in those sections.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1351 "Acquisition cost" and "original cost" defined. (NRS 360.090, 360.250, 361.227) "Acquisition cost" or "original cost" means the actual cost of property to its present owner, including, without limitation, the costs of transportation and the costs of installation.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1355 "Costs of installation" defined. (NRS 360.090, 360.250, 361.227) "Costs of installation" means the costs of direct labor, direct overhead and the capitalized expense of interest or imputed charges for interest which are necessary to make the property operational.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1361 *"Personal Property Manual"* defined. (NRS 360.090, 360.250, 361.227) *"Personal Property Manual"* means a manual for the valuation of personal property that is published by the Department annually pursuant to NAC 361.1365.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1365 *Personal Property Manual*: Publication; contents; approval; use. (NRS 360.090, 360.250, 361.227)

1. The Department will annually publish a *Personal Property Manual* which describes the methods and standards that must be used for the valuation of personal property. The manual must include, without limitation, annually updated:

(a) Cost-index factors that must be used in the conversion of acquisition cost into an estimate of replacement cost new;

(b) Expected-life schedules that indicate the category of expected life for each type of property or type of industry in which the property is used; and

(c) Percent-good tables which indicate the rate of depreciation that must be applied.

2. The *Personal Property Manual* must be approved by the Commission before publication. The Department, at least 1 month before presenting the manual to the Commission for approval, must disclose all proposed modifications to the manual and hold a public workshop on the modifications.

3. Each county assessor shall use the *Personal Property Manual* in determining the taxable value of personal property.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1371 Procedure for determination of taxable value. (NRS 360.090, 360.250, 361.227)

1. The taxable value of personal property must be determined by adjusting the acquisition cost of the property by a cost-index factor and reducing the adjusted acquisition cost by an estimate of applicable depreciation. The taxable value so determined shall be deemed to be the indicator of value of replacement cost new less depreciation.

2. In determining taxable value, a county assessor shall use the schedules in the *Personal Property Manual* that show the cost-index factors, the rates of depreciation and the percent good by year. The assessor shall use the schedules by:

(a) Selecting the appropriate expected useful life of the personal property; and

(b) Selecting the appropriate cost-index factor, based on the year of acquisition of the property, and applying it to the acquisition cost of the property.

➥ The result shall be deemed to be the replacement cost new of the property.

3. The assessor shall select the method of applying depreciation to the personal property by either:

(a) Multiplying the adjusted acquisition cost of the property by the rate of depreciation and subtracting the result from the adjusted acquisition cost; or

(b) Multiplying the adjusted acquisition cost of the property by the percent-good factor.

➥ The result from either approach shall be deemed to be the taxable value of the property.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.1375 Determination of expected life, cost-index factors and depreciation. (NRS 360.090, 360.250, 361.227)

1. Personal property must be categorized by the specific type of property that it is or by the type of industry in which it is used. Each category must be assigned to a schedule of expected life which is based on commonly available sources of information, including, without limitation, the life expectancy guidelines published by the Marshall and Swift Valuation Service and any other sources published in the *Personal Property Manual*.

2. The cost-index factors published in the *Personal Property Manual* must be determined by calculating the average change in costs over time. The Department shall identify the sources used to calculate the average change.

3. For purposes of calculating the amount of applicable depreciation, personal property must be assigned to one of the following expected lives:

(a) Three-year life;

(b) Five-year life;

(c) Seven-year life;

(d) Ten-year life;

(e) Fifteen-year life;

(f) Twenty-year life; or

(g) Thirty-year life.

4. Depreciation must be calculated over the expected life of the personal property by using the declining balance method, except that tables which provide a method other than the declining balance method for calculating depreciation may be used if the tables have been approved by the Commission and included in the *Personal Property Manual*.

5. For purposes of calculating the rate of depreciation, a residual amount of 5 percent must be used. Percent-good tables using a residual amount other than 5 percent may be adopted by the Commission if the Department has conducted a market study or has otherwise obtained information which indicates that a different residual amount is appropriate for the category in which the personal property is placed pursuant to subsection 1.

(Added to NAC by Tax Comm'n by R034-03, eff. 12-4-2003)

NAC 361.138 Reported acquisition cost for leased equipment. (NRS 360.090, 360.250, 361.227) For leased equipment, the reported acquisition cost is the cost which the user of the property would incur if the equipment were purchased, less any discount customarily allowed by a seller.

(Added to NAC by Tax Comm'n, eff. 10-10-83; A by R034-03, 12-4-2003)

NAC 361.139 Personal property acquired with real property for lump sum; use of other valuation techniques. (NRS 360.090, 360.250, 361.227)

1. In determining the taxable value of personal property which was acquired with real property for a lump sum, the assessor may refer to appropriate guides which list the cost of equipment to determine the value of the personal property in relation to the value of the real property. In addition, the assessor may estimate the age of the equipment by inspecting it or discussing the approximate value of the equipment with manufacturers, dealers or other persons in the business who have knowledge of the value of the equipment. The serial number, if it exists, may enable a manufacturer to determine the date of manufacture and the original cost.

2. If sufficient data is not otherwise available to establish acquisition cost, or if the assessor determines that a reported acquisition cost is not equal to the fair market value of the property at the time of acquisition plus any costs of transportation and costs of installation, the assessor may use any nationally recognized valuation technique to determine the acquisition cost, including, without limitation:

(a) Establishing the current cost of replacement of the property with new property by reference to current manufacturing costs. If the current cost of replacement is known, the assessor shall apply depreciation to that cost to determine the taxable value.

(b) Using a guide which lists the cost or a procedure recognized by businesses which use such equipment to determine the taxable value. Before such a guide or procedure may be used, an assessor must receive approval from the Executive Director.

(c) Using information based on current market data.

3. Upon request, the Division of Local Government Services of the Department will provide information on various guides which may be used to determine original cost.

(Added to NAC by Tax Comm'n, eff. 10-10-83; A 6-29-84; R034-03, 12-4-2003; R068-12, 9-14-2012)

NAC 361.11745 "Trade fixture" defined. (NRS 360.090, 360.250) "Trade fixture" means an item of personal property that:

1. Is installed or attached nonpermanently to real property by an owner or tenant for the purpose of conducting a business or trade and not for the enhancement of the real property to which it is installed or attached; and

2. Has a unique identity and function which is related to the business or trade for which it is installed or attached and which is distinct from the real property to which it is installed or attached.

(Added to NAC by Tax Comm'n by R068-12, eff. 9-14-2012)

Excerpts from Department of Taxation Letter of Guidance

Letter dated December 02, 2004, responding to county assessors' question:

"In determining the proper amount of depreciation to be applied to personal property using the Department's Personal Property Manual, does the year of acquisition refer to a calendar year or a fiscal year?"

Short Answer

The use of the year of acquisition is dependent on the fiscal year only with regard to the correct selection of the Personal Property Manual to be used. The year of acquisition is otherwise an actual date during a calendar year that indicates the age of the property to be used in the expected life tables.

(Please ask the department for a copy of the letter if you wish to read the entire discussion.)

APPENDIX B

Methodology Used to Estimate Cost Indexes

The percent change in each index is measured between the current year and the prior year. The mean of the sum of the changes for each year of the expected life table is calculated and becomes the basis for the cost index to trend acquisition cost to a current replacement cost.

Sources Used to Estimate Cost Indexes

Producer Price Index (PPI)

The Producer Price Index (PPI) is a family of indexes that measures the average change over time in selling prices received by domestic producers of goods and services. PPIs measure price change from the perspective of the seller. This contrasts with other measures, such as the Consumer Price Index (CPI), that measure price change from the purchaser's perspective. Sellers' and purchasers' prices may differ due to government subsidies, sales and excise taxes, and distribution costs.

Data Source

- The PPI sample includes approximately 25,000 establishments providing close to 100,000 price quotations per month.
- Participating establishments report price data primarily through the mail.
- Good and services included in the PPI are weighted by value-of-shipments data contained in the 1992 economic census.
- Industries and products are systematically resampled as needed.

The producer price index series reference is WPUSOP3200, not seasonally adjusted. The group used was the stage of processing, the item was capital equipment, and the base date was 8200. The data may be found at http://data.bls.gov/timeseries/WPUSOP3200.

Consumer Price Indexes (CPI)

The consumer price index (CPI) is a measure of the average change in prices over time of goods and services purchased by households. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) the CPI for Urban Wage Earners and Clerical Workers (CPI-W), which covers households of wage earners and clerical workers that comprise approximately 32 percent of the total population and (2) the CPI for All Urban Consumers (CPI-U) and the Chained CPI for All Urban Consumers (C-CPI-U), which cover approximately 87 percent of the total population and include in addition to wage earners and clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI represents all goods and services purchased for consumption by the reference population (CPI-U or CPI-W). BLS has classified all expenditure items into more than 200 categories, arranged into eight major groups. Major groups and examples of categories in each are as follows:

- FOOD and BEVERAGES (breakfast cereal, milk, coffee, chicken, wine, full service meals and snacks)
- HOUSING (rent of primary residence, owners' equivalent rent, fuel oil, bedroom furniture)
- APPAREL (men's shirts and sweaters, women's dresses, jewelry)
- TRANSPORTATION (new vehicles, airlines fares, gasoline, motor vehicle insurance)
- MEDICAL CARE (prescription drugs and medical supplies, physicians' services, eyeglasses and eye care, hospital services)
- RECREATION (televisions, cable television, pets and pet products, sports equipment, admissions)
- EDUCATION AND COMMUNICATION (college tuition, postage, telephone services, computer software and accessories)
- OTHER GOODS AND SERVICES (tobacco and smoking products, haircuts and other personal services, funeral expenses)

Also included within these major groups are various government-charged user fees, such as water and sewerage charges, auto registration fees, and vehicle tolls. The CPI also includes taxes (such as sales and excise taxes) that are directly associated with the prices of specific goods and services. However, the CPI excludes taxes (such as income and Social Security taxes) not directly associated with the purchase of consumer goods and services.

The CPI does not include investment items, such as stocks, bonds, real estate, and life insurance. (These items relate to savings and not to day-to-day consumption expenses.)

The Consumer Price Index series ID reference is CUUR0400SA0, CUUS0400SA0 for area West Urban, All Items. The base period is 1982-84 = 100. The data may be found at http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=CUUR0400SA0&output_view=pct_1mth

Marshall Valuation Service

Marshall Valuation Service publishes a national average equipment cost index based on industry type. The Department measures the change in the index for each category of industry from the prior year.

Market Tests

In addition to the sources already cited, the Department conducts market tests to validate the results of applying the cost indices to particular items of personal property. The original cost of a selected sample of personal property items is trended using the proposed cost index conversion factor. The result of this calculation is compared to the actual average resale of the item obtained from various market research sources. The purpose of the market test is to ensure the proposed cost indices do not result in a value which exceeds full cash value. The market tests are also used to establish hypothetical market-based depreciation schedules. The sources of information for the market comparisons include the following:

- **N.A.D.A., The Manufactured Housing Guide Cost CD-ROM** (Costa Mesa, CA: March through April, 2015 edition.) The Guide provides the average retail book value by manufacturer, model, and region of mobile home, with tables for options. Values are provided for homes one to fourteen years of age, and conversion tables for homes older than 14 years.
- **Southwest Region Official Guide**, Winter Edition, Region A, Volume 18, Issue 4 (Fenton, MO: Winter, 2013 through April 1, 2014). IRON Solutions provides depreciated value of agricultural equipment. The Guide provides retail advertised price, resale cash value, trade value premium, trade value rough, and average wholesale prices. The Guide averages dealer and auctioneer reported prices with a depreciation formula to keep relativity in the prices of all units in each class.
- **Clymer, Powersport Vehicle Blue Book**, September 1, 2014 – February 28, 2015 (Penton Business Media, Inc., Overland Park, KS). The Blue Book provides pricing in the powersports industry, including snowmobiles, personal watercraft, trailers, and motorcycles.
- **Aircraft Bluebook Price Digest**, Spring 2015 Edition, Vol. 13-1 (Penton Business Media, Inc., Overland Park, KS). The Bluebook provides representative average retail prices of fixed wing aircraft and helicopters.
- **Orion Research Corporation**, (Roger Rohrs Publisher) http://www.usedprice.com. The web site /is the electronic successor to the Orion Blue Book. It determines the used prices of computers and peripherals based on dealer surveys gathered nationwide. Dealers are asked to provide the "asking price," "Selling price," and "days to sell." The used price is then calculated based on what an average store could sell the product for in 30 days or less. Orion Research states that this data is updated on an ongoing basis..
- **Grounds Maintenance Equipment Blue Book**, March 1, 2014 – February 28, 2015 Edition, (Penton Media, Overland Park, KS: 66212). The Blue Book provides the estimated average resale or retail price, excluding options of power equipment.
- **Green Guide for Construction Equipment**, (Online version, last updated 12/29/2014) (Equipment Watch, 6151 Powers Ferry Road, Suite 200, Atlanta , GA 30339) The values in this guide are derived from a reporting system of equipment dealers, distributors, manufacturers, auctioneers and contractors. It is based on both surveys and averaging of actual sales. These volumes include Volume 1: Earthmoving Equipment, Volume 2: Lifting Equipment and Volume 3: Other Equipment (Compaction, Concrete and Crushers).

APPENDIX C

Methodology Used to Estimate Expected Useful Life

The Department estimates the expected useful life of different types of personal property by surveying a variety of sources. Expected useful life is defined as the amount of time an item of personal property can be expected to last before it wears out, decays, gets used up, becomes obsolete, or loses its value from natural causes. The life is measured from the time the property is first put into service until it is retired from service or permanently withdrawn from use in a trade or business, or when the production of income ceases because the property has been sold, exchanged, converted to personal use, abandoned, or otherwise destroyed.

The Department does not have the resources available to perform its own mortality or actuarial studies. However, there are other sources that do perform this service. The sources itemized below include actuarial studies of the Internal Revenue Service, Marshall and Swift Costing Service, and the California State Board of Equalization. Also included are the surveys of several western states and certain industries.

Sources Used to Estimate Expected Useful Life

Marshall Swift Valuation Service, "Residential Cost Handbook", (Marshall & Swift, L.P., December 2014) Costs ranges are based on averages created for the US and Canada, and other items listed are based on what is readily available today.

Marshall Swift Valuation Service, "Life Expectancy Guidelines," (Marshall & Swift, L.P., January 2015)

Depreciable assets are listed by industry group and are extracted from U.S. Treasury Department Internal Revenue Service Publication 534 titled "Depreciation." The Guidelines list ranges of life. In certain cases, the IRS was not the primary source. In those cases, the range of life is based on a composite of studies of equipment, bookkeeping practices and appraisers' opinions as compiled from a consensus of recognized trade groups, suppliers and other interested parties. Computers and terminals are one example of an independent study conducted by Marshall & Swift.

Department of the Treasury, Internal Revenue Service, Publication 946, "How to Depreciate Property," and Publication 534, "Depreciating Property Placed in Service Before 1987."

These two publications specifically identify types of property and the expected useful life. For instance, an example of five-year property is computers and peripheral equipment.

California:

California Assessors Equipment Index and Percent Good Factors January 2009

California Assessors Handbook Table of Contents Page 2013

Arizona:

Arizona Department of Revenue Personal Property Manual 2013

Montana:

State of Montana Personal Property and Livestock Reporting for Tax Year 2013

State of Montana 2013 Personal Property Depreciation, Trand and New Cost Factor Tables

Oregon:

Oregon Department of Revenue, Personal Property Valuation Guidelines 2013

Utah:

Utah State Tax Commission 2013 Recommended Personal Property Valuation Schedules and Registered Vehicle Uniform Fees

Wyoming:

Wyoming Department of Revenue 2012 Life Tables

APPENDIX D

2016-17 PERSONAL PROPERTY MANUAL

Exemptions from Property Taxes

Article 10, Section 1 of the Nevada Constitution requires the "valuation for taxation of **all** property, real, personal and possessory...." NRS 361.045 also provides that, except as otherwise provided by law, all property of every kind and nature whatever within this state shall be subject to taxation. Other statutes, however, grant exemptions to particular types of property. Some are granted exemption at face-value, and other types of property must qualify according to specific criteria in order to receive the exemption.

The types of exemptions range from partial exemptions granted to veterans, disabled veterans, surviving spouses and blind persons to exemptions from taxation for all real and personal property granted to governmental entities, religious, charitable and non-profit organizations, and individual organizations which are specifically cited. In many cases, the statutes specifically recite that the property must be used to carry out the legitimate function of the organization, and if not, the property becomes taxable.

For the types of exemptions which must go through a qualification process, the county assessors must collect, evaluate and process the various claims for property tax exemptions. Application forms which have been approved by the Nevada Tax Commission should be made available. Each form should request information regarding taxpayer contact information, the type of exemption being claimed, the property which the exemption, if granted, would affect, a statement or statements why the property qualifies for the exemption, and supporting documentation if necessary. The purpose of any form is to provide sufficient information to help assessors make a reasoned determination to approve or deny applications.

In the event a claim for exemption is ambiguous or open to interpretation, how the property is used may indicate whether or not an exemption applies. The general rule espoused by the courts is that strict construction of exemption statutes applies to exemptions for property held in private ownership but not to exemptions for public property where exemption is the rule and taxation the exception. 2 Thomas M. Cooley, *The Law of Taxation*, § 673 at 1414-15 (4th ed. 1924). Said another way, property held in private ownership must strictly comply with all the criteria established for the exemption because “taxation is the rule and exemption the exception.” On the other hand, for property held by a public entity, the rule is reversed to say “exemption is the rule and taxation the exception.”

The purpose in establishing a broad construction of exemption for public entities is to prevent an escalating spiral of unnecessary taxation and administrative costs with no benefit to the public. 16 Eugene McQuillin, *The Law of Municipal Corporations*, § 44.57 at 206 (3rd ed. 1994). If one governmental entity chooses to tax the property of another governmental entity, the governmental entity forced to pay taxes may have to levy and collect new taxes to meet the demands of the tax. 2 Cooley, *supra*, § 621 at 1313. The effect of such a tax spiral is that the public would be taxing itself to raise money to pay itself.

In cases where it is not clear whether an exemption should be granted, assessors should solicit legal advice from the county district attorney's (D.A.) office.

The attached chart lists the current status of specific exemptions available in the statutes, in alphabetical order.

Legend:
Due Date for Application:
(1) No application required
(2) One time only until status changes. The claim must be made by June 15th. *See NRS 361.155 (1) and (3)*
(3) Annually, by June 15th. *See NRS 361.155 (1)*
(4) Annually, by July 1st. *See NAC 361.062*
(5) Annually, by December 30th. *See NRS 362.050*

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Airport	361.061(1)		Real	(2)	Improvement of land by the public as an airport is a municipal purpose, whether or not the airport is owned or operated by a local government.
American Land Conservancy	361.111		Real	(2)	Real property including improvements is exempt if: the property is held for acquisition by a Federal, state or local government and the said government has agreed in writing to consider acquiring said real property; or if the property will be held indefinitely and vested in the listed conservancy organization. If the property is held for purposes of conservation for any entity other than the State or local government, the land must be assessed as first class pasture. If the property is transferred for purposes other than conservation, taxes must be collected for each year it was exempt.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
American National Red Cross and Nevada Chapters	361.110		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also YMCA, YWCA, American National Red Cross, Salvation Army Corp, GSA, Camp Fire Girls, BSA, Sierra Arts Foundation, Nevada Museum of Art, Inc.*
Apprenticeship Programs	361.106		Both	(2)	Real and personal property of an apprenticeship program is exempt if (1) the property is held in a trust created by 29 U.S.C. § 186 or (2) is owned by a local or state apprenticeship committee and the program is operated by a qualifying organization and registered and approved by the state apprenticeship council.
Archaeological Conservancy	361.111 AB 209 (2007)		Real	(2)	See explanation under American Land Conservancy.
Architectural barrier Removal for Disabled Persons	361.087		Real	(2)	Improvements to a residence occupied by a person with a disability are exempt. The person must claim the benefit by filing an affidavit setting forth the nature of the improvement and the date of making the improvement. See statute for examples.
Bank Deposits	Article 10		Personal	(1)	Articles of personal property deemed to represent an interest in real or personal property already assessed and taxed is exempt.
Bee colonies	361.068		Personal	(1)	Bee colonies are exempt personal property.
Blind Persons	361.085		Both	(3)	Property of blind persons up to an assessed value of $3,000, as modified by CPI, is exempt. The original affidavit of claim must be accompanied by a certificate from a physician certifying the person

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					is blind. Renewal affidavits must be completed each year.
Boats	361.068		Personal	(1)	All boats are exempt.
Bonds	Article 10		Personal	(1)	Articles of personal property deemed to represent an interest in real or personal property already assessed and taxed is exempt.
Book Accounts	Article 10		Personal	(1)	Articles of personal property deemed to represent an interest in real or personal property already assessed and taxed is exempt.
Boulder City Museum and Historical Assocation	361.110		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also YMCA, YWCA, American National Red Cross, Salvation Army Corp, GSA, Camp Fire Girls, BSA, Sierra Arts Foundation.*
Boy Scouts of America	361.11		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also Nevada Museum of Art.*
Business Inventories & Consumables	361.068	361.065	Personal	(1)	Property consumed during the operation of the business, as differentiated from a component part of a manufactured item, is exempt. The property must meet the criteria listed in NAC 361.065.
Camp Fire Girls Inc.	361.11		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also Nevada Museum of Art.*
Campers, slide-in & shells	361.068		Personal	(1)	All slide-in campers and camper shells are

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					exempt.
Carnival, circus, convention, display, exhibition, fair	361.068		Personal	(1)	Personal property, transient in nature, owned by a non-resident and located in this state for use by or in a carnival, circus, convention, display, exhibition or fair is exempt. *See also transient personal property.*
Cost of collection	361.068		Personal	(1)	Personal property for which the annual taxes would be less than the cost of collecting those taxes is exempt. NTC determines level of cost.
Cemeteries and Graveyards - Public	361.130		Real	(1)	Exempt cemeteries and graveyards must be open to the public and no charge is made for burial.
Cemeteries and Graveyards – Private	361.132		Real	(2)	Real property of a nonprofit corporation governed by the provisions of NRS Chapter 82 formed for the purposes of procuring and holding lands to be used exclusively for a cemetery are exempt, so long as the lots or plats remain dedicated to the purpose of a cemetery.
Charitable Foundation: *See University*	361.098		Both	(2)	All property owned by the charitable foundation established by the Board of Regents of University of Nevada is exempt unless it is used for a purpose other than carrying out the legitimate functions of the foundation.
Charitable Organizations	361.135		Both	(2)	See Lodges
Charitable Corporations	361.140		Both	(2)	Property actually occupied and used by corporation meeting certain qualifying criteria is exempt.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Charter School Leased Property	361.096		Both	(2)	All property leased or rented to a charter school is deemed to be used for an educational purpose and is exempt. Only the portion of the property that is used for the lease or rental to a charter school is exempt.
Churches & Chapels	361.125		Both	(2)	Land, buildings, and personal property used for religious worship other than marriage chapels, is exempt. The property must be owned by a recognized religious society or corporation. If the property is used for other than church purposes and a rent is received, the property is not exempt.
Counties, Town, Municipal Corp	361.060		Both	(1)	Property of counties, domestic municipal corporations, irrigation drainage, reclamation district, or town, except for certain community pastures, is exempt. *See also Nevada Rural Housing Authority, Irrigation Districts*
Conservation District	361.060		Real	(1)	Real property acquired on or after 7-1-2003 by a conservation district is exempt.
Defenders of Wildlife	361.135		Both	(2)	*See Lodges for explanation.*
Disabled Veterans	361.091		Both	(3)	Up to $20,000 assessed value of property, adjusted by CPI, may be exempt, based on a sliding scale of disability of the veteran-owner. Only the property of residents or their surviving spouses meeting certain qualifying criteria is eligible for exemption.
Drainage Ditches, Canals & Irrigation Systems	361.070		Real	(1)	Drainage ditches and canals along with the lands included in the right-of-way of the ditch or canal are exempt. Each part of a permanently installed irrigation system, including pipes, concrete linings of ditches and headgates, are exempt.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Elderly & Handicapped Housing	361.086		Real and personal used for housing	(2)	All real property and mobile or modular housing and related facilities for elderly or handicapped persons are exempt if certain qualifying criteria are met.
Eagles Club	361.135		Both	(2)	*See Lodges for explanation*
Elks Club	361.135		Both	(2)	See Lodges for explanation.
Energy Systems (fka Heating & Cooling Systems)	701A.200 (fka 361.079)	361.052-361.058	Both	(1)	The value of a qualified system is not included in the assessed value of the building of which it is a part. Qualified systems in commercial or industrial buildings receiving certain other abatements or exemptions are ineligible for this exemption. System must conform to standards established by the Department.
Fine Art for public display	361.068; 361.186	361.030 – 361.044	Personal	(3)	The exemption is limited to certain kinds of works of art purchased for $25,000 or more and meets certain public display requirements. When a taxpayer collects an admission fee, the amount of exemption is reduced by the net revenue received by taxpayer. *See NRS and NAC requirements.*
Girl Scouts of America	361.11		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also Nevada Museum of Art.*
Habitat for Humanity	361.115		Both	(2)	All property is exempt unless it is used for a purpose other than carrying out the legitimate functions of the organization. *See also Nevada Children's Foundation, Nevada Heritage Association.*
Hospital	361.083		Real	(2)	Property on which stands a hospital or other charitable asylum for the care or relief of orphans

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					or sick, infirm or indigent persons owned by a qualifying non-profit corporation, is exempt. If the property is used for a different purpose, the property is taxable. *See also orphan children.*
Household goods and furniture	361.069	361.085	Personal	(1)	Household goods, furniture except certain appliances and furniture of time-share projects, are exempt. Examples are in both statute and regulation.
Irrigation, Drainage, Reclamation District	361.060		Both	(1)	See Counties, Towns for explanation.
Knights of Pythias	361.135		Both	(2)	*See Lodges for explanation.*
Knights of Columbus	361.135		Both	(2)	*See Lodges for explanation.*
Lahontan Audubon Society	361.135		Both	(2)	*See Lodges for explanation.*
Livestock	361.068		Personal	(1)	Livestock is exempt. Livestock is defined at NAC 361A.055. See also Article 10 (6).
Lodges & other charitable organizations	361.135		Both	(2)	Funds, furniture, paraphernalia and regalia owned by certain charitable organizations as well as real estate and fixtures are exempt. If the real estate is leased, the exemption does not apply to the portion so leased or rented.
Low income housing projects	361.082	361.089	Both	(3)	That portion of real property and tangible personal property used for housing and related facilities for persons with low incomes is exempt if the property meets certain criteria.
Masons	361.135		Both	(2)	*See Lodges for explanation.*
Mortgages	Article 10		Personal	(1)	Articles of personal property deemed to represent an interest in real or personal property already assessed and taxed is exempt.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Motor Vehicles	361.067		Personal	(1)	Vehicles defined in NRS 371.020 are exempt, except mobile homes. NRS 371.020 refers to NRS 482 and 706. Under NRS 482.210, special mobile equipment is not licensed and is therefore taxable for property tax.
Nathan Adelson Hospice	361.088		Both	(2)	All property is exempt, unless it is used for any purpose other than carrying out the legitimate functions of hospice care.
National Audubon Society	361.135		Both	(2)	*See Lodges for explanation.*
Nature Conservancy	361.111		Real	(2)	*See explanation under American Land Conservancy.*
Nevada Children's Foundation	361.115		Both	(2)	*See Habitat for Humanity for explanation.*
Nevada Heritage Association	361.115		Both	(2)	*See Habitat for Humanity for explanation.*
Nevada Land Conservancy	361.111		Real	(2)	*See explanation under American Land Conservancy.*
Nevada Museum of Art	361.11		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also YMCA, YWCA, American National Red Cross, Salvation Army Corp, GSA, Camp Fire Girls, BSA, Sierra Arts Foundation.*
Nevada Rural Housing Authority	361.060		Real	(1)	*See explanation under Counties, Cities*
Noncommercial theaters	361.145		Both	(2)	Buildings, furniture & equipment of noncommercial theaters owned and operated by nonprofit educational corporations organized for the exclusive purpose of conducting theater practice classes and the production of plays on a nonprofessional basis are exempt.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Nonprofit private schools	361.105		Both	(2)	All property is exempt from taxation.
Odd Fellows	361.135		Both	(2)	*See Lodges for explanation.*
Orphan children or sick, infirm or indigent persons	361.083		Real	(2)	Land and buildings use for the care or relief of orphans or of sick, infirm or indigent persons owned by a nonprofit corporation organized or existing pursuant to NRS 82, is exempt. *See also Hospitals.*
Patented Mining Claims	362.010-362.095		Real	(5)	Upon receipt of an affidavit from the county recorder pursuant to NRS 362.050, the assessor shall exclude from the roll the assessment against the patented mine or mining claim named in the affidavit.
Pershing County Kids, Horses, Rodeo Inc.	361.107		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization.
Personal Property held for sale by merchant	361.068		Personal	(1)	Personal property held for sale by a merchant is exempt.
Personal Property held for sale by manufacturer	361.068		Personal	(1)	Personal property held for sale by a manufacturer is exempt.
Personal property in transit	361.160-361.185	361.062	Personal	(4)	Claims must be submitted to county assessor in which the warehouse is located and a certification from the warehouse as to the status of the property must be attached.
Pipe & Irrigation Equipment	361.068		Personal	(1)	Pipe and other agricultural equipment used to convey water for the irrigation of legal crops is exempt.
Pollution control devices	361.077	361.046-361.050	Both	(3)	Property used as a facility, device, or method for the control of air or water pollution is exempt. Taxpayer must supply an annual affidavit to

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					assessor on a form approved by Department. Certain property is not exempt per NAC 361.046.
Possessory Interest –Vending stands	361.159		Personal	(3)	The possessory interest in otherwise exempt property is taxable, except for vending stands operated by blind persons under the auspices of the Bureau of Services to the Blind – DETR.
Possessory Interest – Public Airport	361.159		Personal	(2)	The possessory interest in otherwise exempt property is taxable, except for personal property owned and used in a public airport.
Possessory Interest – Public airport, park, market, fairground	361.157(2)(a)		Real	(2)	The possessory interest in otherwise exempt property is taxable, except for real property located upon a public airport, park, market, or fairground. Certain leased property on a pubic airport made available for purposes other than the purposes of a public airport is taxable.
Possessory Interest – Federal Property	361.157(2)(b)		Real	(1)	A possessory interest in federal property for which PILT payments are made is exempt.
Possessory interest – state-supported educational institution	361.157(2)c		Real	(1)	A possessory interest in the property of any state-supported educational institution is exempt, except any part located within a TIA created pursuant to NRS 278C.155.
Possessory interest – Taylor Grazing Act, USFS, BuRec	361.157(2)(d)		Real	(1)	A possessory interest in property used by persons, associations or corporations according to the Taylor Grazing Act, United States Forest Service or the Bureau of Reclamation is exempt.
Possessory interest – Indian tribe	361.157(2)(e)		Real	(1)	A possessory interest in property of any Indian held in trust by the U.S. is exempt.
Possessory interest – Vending stands of the blind	361.157(2)(f)		Real	(1)	A possessory interest in vending stand locations operated by blind persons under the auspices of

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					the Bureau of Services to the Blind and Visually Impaired – DETR, is exempt.
Possessory interest – geothermal leases	361.157(2)(g)		Real	(1)	A possessory interest in geothermal leases for resources which have not been put into commercial production, is exempt.
Possessory interest – public officer or employee	361.157(2)(h)		Real	(1)	A possessory interest in property that is leased, loaned or made available to a public officer or employee in the course of public employment, is exempt.
Possessory interest – parsonage	361.157(2)(i)		Real	(1)	A possessory interest in a parsonage owned by a recognized religious society or corporation when used exclusively as a parsonage, is exempt.
Possessory interest – Charitable or religious residence	361.157(2)(j)		Real	(1)	A possessory interest in a residence used by a person carrying out the activities of a charitable or religious organization is exempt
Possessory interest – shelter for elderly or indigent	361.157(2)(k)		Real	(1)	A possessory interest in property which is used to provide shelter at a reduced rate to the elderly or indigent is exempt.
Possessory interest – rental of meeting rooms	361.157(2)(l)		Real	(1)	A possessory interest in property used as meeting rooms or similar facilities for periods of less than 30 consecutive days is exempt.
Possessory interest – daycare	361.157(2)(m)		Real	(1)	A possessory interest in property used as a daycare by a nonprofit organization is exempt.
Promissory Notes	Article 10		Personal	(1)	Articles of personal property deemed to represent an interest in real or personal property already assessed and taxed is exempt.
Privately owned airports used by public	361.061(2)		Real	(2)	Privately owned airport property used for a public purpose, except areas from which income is derived, is exempt.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Privately owned parks used by public	361.0605	361.080	Real	(2)	The initial claim for exemption must be accompanied by a copy of the agreement with a local government that the property may be used by the public without charge. A sign must also be posted at each entrance to park. The exemption does not include areas from which income is derived.
Public Function Trusts	361.062		Both	(2)	Property of a trust created for the benefit of any public function pursuant to law is exempt, however, PILT monies may be paid to the beneficiary if so provided in any agreement contained in creating the trust.
Radioactive fallout shelters	361.078		Real	(3)	Residential property is exempt up to $1,000 in assessed value if it meets certain qualifying conditions.
Raw materials & components consumed in the process of manufacture	361.068		Personal	(1)	Raw materials are exempt when they are held by a manufacturer for manufacture into products. Supplies consumed in the process of manufacture are also exempt.
Salvation Army Corps	361.11		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also Nevada Museum of Art.*
School districts	361.065		Both	(1) school dist	All property owned by any legally created school district or charter school and devoted to public school purposes is exempt.
				(2) charter school	
Sierra Arts Foundation	361.11		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					functions of the organization. *See also Nevada Museum of Art.*
State lands	361.055		Both	(1)	All property owned by the state, except land assigned to the Department of Wildlife, is exempt. PILT payments are made by the Department of Wildlife.
Stocks	Article 10		Personal	(1)	Articles of personal property deemed to represent an interest in real or personal property already assessed and taxed is exempt.
Surviving Spouse	361.080		Both	(3)	Property of surviving spouses up to an assessed value of $1,000, as modified by CPI, is exempt. The original affidavit of claim must be accompanied by a death certificate showing the claimant was married to the deceased at the time of their death. Renewal affidavits must be completed each year.
Surviving Spouses of Disabled Veterans	361.091		Both	(3)	See Disabled Veterans.
Transient Personal Property	361.068		Personal	(1)	Personal property owned by a non-resident and located in Nevada for purposes of a display, exhibition, convention, carnival, fair or circus is exempt. *See also Carnival, fair circus.*
United States	361.050		Both	(1)	All property owned by the United States is exempt.
University Fraternities & Sororities	361.100		Real	(2)	Real property owned by fraternities and sororities whose members are students at UNR or UNLV and use the property as their home, is exempt.
University System: Charitable Foundation	361.098		Both	(2)	All property owned by a charitable foundation established by the Board of Regents of the

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
					University of Nevada is exempt, unless it is used for a purpose other than the legitimate functions of the foundation.
University System Leased Property	361.099	361.070	Both	(2)	Property leased to the Nevada System of Higher Education is exempt if the total consideration from the lease is less than 10 percent of the fair market value of the property. Certain documentation must be provided. *See NAC 361.070.*
Unpatented Mines & mining Claims	361.075		Real	(1)	Unpatented mines and mining claims are exempt, except for possessory interests in lands held by U.S. or state of Nevada.
Vehicles	361.067		Personal	(1)	*See Motor Vehicles*
Veterans	361.09		Both	(3)	Up to $2,000 assessed value, adjusted by CPI, of property may be exempt. Only the property of residents meeting certain qualifying criteria is eligible for exemption.
Veteran Organizations	361.095		Both	(2)	Up to $10,000 assessed value, adjusted by CPI, of Funds, furniture, paraphernalia and regalia owned by certain charitable organizations as well as real estate and fixtures, is exempt. If the real estate is leased, the exemption does not apply to the portion so leased or rented.
Volunteer Fire Departments	361.150		Both	(2)	All property is exempt, unless it is used for any purpose other than carrying out the legitimate functions of a volunteer fire department.
Water Users' Nonprofit Associations	361.073		Both	(2)	All property is exempt, unless it is used for any purpose other than carrying out the legitimate functions of a water users' nonprofit cooperative corporation.

Exemption Type	NRS Reference	NAC Reference	Property Type	Due Date for Application See Legend	Explanation
Young Men's Christian Assocation	361.110		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also Nevada Museum of Art.*
Young Women's Christian Assocation	361.110		Both	(2)	All real and personal property is exempt, unless it is used for a purpose other than the legitimate functions of the organization. *See also Nevada Museum of Art.*

APPENDIX E

Determining Whether Fixtures are Real or Personal Property

NRS 361.333 requires that each major class of property be examined to determine whether there is equality of assessment. One of the principal classes of property is personal property, pursuant to NRS 361.227(4). Uniformity and equality of assessment thus depend on proper classification. Although NRS 361.035 defines real estate and NRS 361.030 defines personal property, in practice it is sometimes difficult to tell whether an item is personal property or a fixture that is part of the real estate. As the Attorney General stated in Opinion #41 (1963), "the classification depends on the facts of each particular case." The assessor is encouraged to consult the Division of Local Government Services and/or the District Attorney in difficult cases.

A fixture may be defined as an item that was originally personal property which has been installed or attached to land or an improvement in a permanent manner. There is an abundant amount of case law which discusses three tests often used in deciding whether an item is a fixture. The tests are:

1. Physical Annexation;
2. Constructive Annexation, also called Adaptation; and
3. Intent

Under the first test, annexation, an item is a fixture if it is attached to, imbedded in or permanently resting upon land or an improvement, or is attached by other means that are normally used for permanent installation, and cannot be removed without substantially damaging the item or the land or improvement with which it is being used. For example, an item which is attached to real property for stability and has quick disconnect attachments such as simple wiring and conduit connections may not meet the test for a permanent fixture.

Under the second test, constructive annexation, an item is a fixture if the use or purpose of an item that is not otherwise physically annexed to land or an improvement is so adapted that it is:

A. A necessary, integral or working part of the land or improvement;
B. Designed or committed for use with the land or improvement; or
C. So essential to the land or improvement that the land or improvement cannot perform its desired function without the nonattached item.

Using the constructive annexation test, if the purpose of the item is to augment the use of the improvement no matter how it is attached, such as an elevator, the item must be considered a fixture. Another example would be heating, ventilation, and air conditioning equipment (HVAC). Equipment used to heat, ventilate, or cool a structure is considered to be real property.

Permanently attached personal property may be temporarily removed for repair or renovation onsite and still be considered permanently attached. Permanently attached fixtures do not include movable tangible personal property that is attached for convenience, stability or an obviously temporary purpose.

Underlying both the physical or constructive annexation tests is a determination of intent. An assessor must consider whether the item is intended to be a permanent part of the land or improvement, taking into account physical or constructive annexation, and other objective manifestations of permanence. LCB File No. R068-12 provides examples of objective manifestations of permanence.

A trade fixture may be distinguished from a fixture. It is an item of personal property that is impermanently attached to real property for the purpose of conducting a business or trade; and has a unique identity and function separate from the real property to which it is attached. LCB File No. R068-12 provides a definition of trade fixture.

Pursuant to NRS 361.244, a mobile or manufactured home becomes real property when the Assessor has listed it on the tax roll as real property. The classification of mobile and manufactured homes as real property may be made when the requirements enumerated in NRS 361.244(1) and (2) are met. This includes the issuance of a Real Property Notice by the Manufactured Housing Division of the Department of Business and Industry. Factory-built housing becomes real property once it is permanently affixed to the land. These housing units conform to the Uniform Building Code and are not titled. As such they are not personal property nor are they considered "conversions". These "UBC" homes do not exhibit the HUD placards found on manufactured housing. Instead they may have a placard referencing NRS 461.080 and their serial numbers may begin with the characters "UBC".

In general, personal property is defined by exception pursuant to NRS 361.030. Property that does not meet the criteria of real property is personal property. The Assessor should recognize that certain fixtures such as bars, stages, walk-in coolers, or bank drive-ups, may already be included in the real property component of the Assessor's Taxable Value. The Assessor should review the differing building occupancies of the Marshall-Swift cost manuals to ensure that a component of real or personal property is not double-assessed. The improper classification of any component of taxable property as real or personal does not render the valuation void or invalid.

For further research and explanation, please consult:

Attorney General Opinion 2012-10 (10-31-2012) (as it applies to fixtures, not to trade fixtures)
Attorney General Opinion #41 (1963)
Attorney General Opinion No. 2000-04
Marvin Arnold, Respondent, v. Goldfield Third Chance Mining Co, 32 Nev. 447; 109 P. 718 (1910)
National Advertising Co. v. State Department of Transportation, 116 Nev. Adv. Op. No. 10, (Feb. 2, 2000)
Fondren, et al, v. K/L Complex Ltd., et al., 106 Nev. 705; 800 P.2d 719; (1990)
Morse Signal Devices of California v. County of Los Angeles, 161 Cal. App. 3d 570; 207 Cal Rptr. 742 (1984)
Crocker National Bank v. City and County of San Francisco, 782 P.2d 278 (1989)
State v. Pioneer Citizens Bank of Nevada, 85 Nev. 395 (1969)
Kaiser Co. v. *Reid* (1947) 30 Cal.2d 610

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International Association of Assessing Officers, Standard on the Valuation of Personal Property, December, 2005. This publication may be obtained free of charge from the IAAO website at http://www.iaao.org/uploads/StandardValuationPersonalProperty.pdf
The Appraisal Institute: The Appraisal of Real Estate, 13th Edition, Chicago: 2008]

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