

# NCDOR

NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE

**Roy Cooper**  
Governor

**Ronald G. Penny**  
Secretary

## MEMORANDUM

To: Users of the Cost Index and Depreciation Schedules  
From: Tony Simpson, Local Government Division Director *AS*  
Date: November 12, 2020  
Re: 2021 Cost Index and Depreciation Schedules

Attached you will find the 2021 Cost Index and Depreciation Schedules. The document is also located online at <https://www.ncdor.gov/cost-index-and-depreciation-schedules>.

We recommend the use of these schedules in the valuation of business personal property and certain taxable personal property listed as of January 1, 2021.

This year we updated the overall look of the Cost Index and incorporated a new introductory section with graphics and instructions on using the schedules. In addition, several changes were made beyond the standard percent good factor adjustments. These changes are for appraisals as of January 1, 2021, and forward, and are not retroactive. The changes have been marked with an asterisk in the Cost Index and are as follows:

1. Schedule O for *Special Properties* was retired. This schedule was merely a placeholder that referred users to the straight-line Schedule N. Descriptions were updated within the categories of the Cost Index for the affected schedules and users are now referred directly to the appropriate schedule.
2. On Index page 1, under the category *Amusement and Recreation Equipment*, we added a new subcategory for theme parks and waterparks to be valued on the B-12 schedule.
3. On Index page 2, under the category *Apparel and Other Finished Products*, we added diaper manufacturing to the fabrics subcategory to be valued on the A-9 schedule.
4. On Index page 4, under the category *Chemical and Allied Products*, we added hemp seed oil and CBD oil to the description for valuation on the A-10 schedule.
5. On Index page 5, we added the new category *Cryptocurrency Mining*, to be valued on the U-8 schedule.

6. On Index page 7, under the category *Electronic Equipment*, we removed the parenthetical reference *50% or more* in subcategory A. The Cost Index is based on mass appraisal and all chosen categories should reflect the taxpayer's dominant business type; therefore, this reference is unnecessary.
7. On Index page 7, under the category *Food, Beverage and Kindred Products*, we added pet food to the miscellaneous food preparations subcategory to be valued on the A-12 schedule.
8. On Index page 10, under the category *Miscellaneous Manufacturing*, we added firearms to the description for valuation on the A-12 schedule.
9. On Index page 10, the title for the former category *Modular Office Space – Transportable* was changed to *Modular Office and Storage Space* with an updated description for valuation on the B-10 schedule.
10. On Index page 11, we added the new category *Personal Care Services*, to be valued on the B-10 schedule. The new description includes the former categories *Barber Shop Equipment* and *Beauty Shop Equipment*, which were retired. The new category also adds body art (tattoo and piercing) to the description.
11. On Index page 12, under the category *Professional Libraries*, the schedule reference was updated to reflect this category is not scheduled due to retirement of schedule O. This category will continue to be valued based on 1/3 of the cost of the collection.
12. On Index page 13, under the category *Signs Other Than Billboards*, the retired schedule O was changed to Schedule N.
13. On Index page 15, under the category *Tools, Molds, Dies and Jigs*, the retired schedule O was changed to Schedule N.
14. On Index page 15, under the category *Vending Equipment*, the retired schedule O was changed to Schedule N.

Reminder(s):

1. Schedule N shows a straight-line schedule that depreciates down to zero, for illustrative purposes. However, you should always use a 25% residual when applying Schedule N unless you have analyzed a particular situation and decided a lower residual is warranted.
2. Per Session Law 2018-113, NC Farm Act of 2018, counties are required to use the A-10 schedule and 25% residual if valuing equipment under the *Farm and Ranch Machinery and Equipment* category using the cost approach. (If additional depreciation is warranted, the county appraiser may value below the 25% residual.)

In 2005, the North Carolina Court of Appeals affirmed the North Carolina Property Tax Commission's decision in the matter of the appeal of Westmoreland—LG&E Partners from the decision of the Halifax County Board of Commissioners for the tax years 1996-2001. In its decision, the North Carolina Court of Appeals opinion quoted excerpts from the Property Tax Commission's decision. The opinion quotes, "The Tax Administrator properly applied the Cost Index and Depreciation Schedules developed by the North Carolina Department of Revenue..." The Court also writes, "It is well-settled in this State that ad valorem tax assessments are presumed correct." This and other previous cases have solidified our opinion that, when used properly, the Cost Index and Depreciation Schedules are well accepted by the Courts.

These schedules have been prepared by this office as a general guide to be used in the valuation of business personal property, utilizing the replacement cost approach to value. It is important to remember that the schedules are only a guide. There may be situations where the appraiser will need to make adjustments for additional, or less, functional or economic obsolescence; or for other factors.

These schedules are provided to aid in the overall uniformity and equity of property tax assessment practices, as required by North Carolina statutes. If you have any questions about these schedules, please contact the Personal Property Section at (919) 814-1129.

# 2021 Cost Index and Depreciation Schedules

---



The cost approach is the most widely used approach to valuing business personal property. It is calculated in a manner that gives consideration to both inflation and depreciation in arriving at a final estimate of value. The estimate of value is determined by trending the cost of an asset to arrive at the replacement or reproduction cost new, then reducing that cost to account for depreciation. The cost approach lends itself to mass appraisal and can be readily applied using the information submitted on annual property tax listing forms.

The Cost Index and Depreciation Schedules are recommended for business personal property tax valuation in North Carolina and are supported by the court system. In fact, legislation was passed that requires the use of the published schedule for farm and ranch machinery and equipment. These schedules utilize the cost approach to valuation and serve as a beneficial tool in the appraiser's effort to maintain uniformity in the appraisal of business personal property within a taxing jurisdiction. If the schedules are applied by all counties, uniformity will be achieved statewide.

It is not feasible for county tax appraisers to appraise individual assets for ad valorem purposes. Appraisers must use mass appraisal techniques to arrive at assessed values for property in their jurisdiction. The mass appraisal process values groups of properties with similar characteristics. When utilizing the cost index, the appraiser should value machinery and equipment using the schedule that corresponds with the category of the taxpayer's principal type of business. There may be categories of property not identified in the schedules. In this situation, the appraiser will use their best judgment to determine the proper schedule to arrive at fair market value. The appraiser may also contact the Local Government Division for additional guidance.

As a general rule, the useful life schedules in this publication represent the midpoint of asset depreciation ranges extracted from publications of the Internal Revenue Service, or through special studies. The trend factors are determined using the percentage price increase or decrease over the past year of similar business markets. These percentages come from the latest edition of the Producer Price Index, published by the U.S. Department of Labor's Bureau of Labor Statistics.

This cost index consists of tables that incorporate trend factors and depreciation percentages to appraise business personal property. The resulting figure is a composite conversion factor, which combines the trend factor and the amount of allowable straight-line depreciation based on the vintage year of the asset. The factors are expressed in this manner to eliminate additional mathematical computations in the appraisal process. These factors are labeled in the cost index as the *percent good factors*. The term *percent good* represents the remaining percentage of replacement cost after all forms of depreciation are deducted.

The starting point in the valuation of business personal property is the historical cost of an asset. The historical cost signifies the initial, installed cost of a new asset to its initial user. When assets are purchased new, this cost typically matches the capitalized cost found in

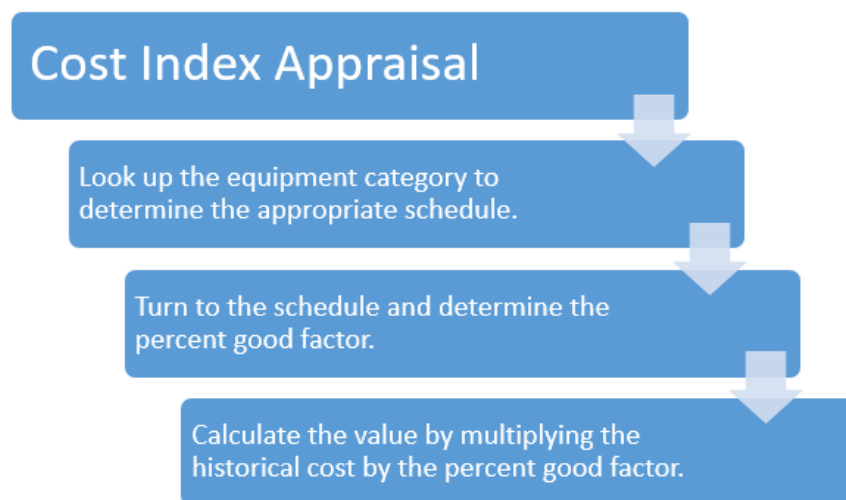


the owner’s accounting records. Historical cost is the full economic cost of an asset and includes all costs associated with constructing the asset and making it ready for its intended use.

Property normally increases in value as it progresses through production and distribution channels. The property achieves its maximum value as it reaches the consumer level of trade. It is only at this level that assessment is uniform and equitable. Therefore, businesses that use and consume property they produce or create must list such property at the retail cost of the property at the consumer level, not the manufacturer’s cost to produce the property. Property purchased by wholesalers and retailers must also be listed at the retail cost of the property at the consumer level, not the cost paid to acquire the property from the manufacturer or wholesaler.

The cost index recognizes the loss in value from the routine use of business personal property over its economic life. These schedules incorporate typical physical deterioration and conditions of obsolescence. However, appraisers may need to consider adjustments to the final value estimate to account for excessive depreciation under extraordinary circumstances. This may include applying an additional depreciation percentage or lowering the standard residual percentage amount. Before making an adjustment for excessive physical deterioration, or functional or economic obsolescence, the taxpayer must provide evidence that supports the claim. Based on the evidence the taxpayer provides, and/or a physical inspection of the property, the appraiser will determine whether or not a value reduction is warranted.

To produce the assessed value of business personal property, the percent good factor is multiplied by the historical cost. It is very important to remember that the trend factors that are shown in this cost index have already been calculated into the percent good factors. Therefore, you do not apply the trend factor a second time.





Example

A taxpayer listed commercial dry cleaning equipment at a historical cost of \$100,000 that they acquired in 2015. What is the value of this equipment on January 1, 2021?

1. Look up the dry cleaning category to determine the appropriate schedule and life.

NC Department of Revenue Local Government Division   Personal Property Section 2021 Cost Index and Depreciation Schedules			
<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
<b><u>DRILLING EQUIPMENT (GAS, PETROLEUM &amp; WATER)</u></b>			
Exploration and Drilling Equipment.....	17	A	6
Includes water activated well drilling equipment that is mounted on vehicles.			
DRONES.....	18	B	5
<b><u>DRY CLEANING AND LAUNDRY EQUIPMENT</u></b>			
Self-Serve (Coin/Card Operated).....	18	B	6
<b>Commercial.....</b>	<b>18</b>	<b>B</b>	<b>10</b>
Leased and Rented Linens and Uniforms.....	24	N	2

2. Turn to Schedule B on page 18 and locate the 10 year life column. Use the 2015 acquisition year to find the intersection point with the useful life column and determine the percent good factor.

		NC Department of Revenue										Index Page 18		
		Local Government Division										Effective 1/1/2021		
		Personal Property Section												
		Schedule B Valuation Table												
		Historical (Original) Cost												
		Percent Good Factors												
Year	Trend	Life in Years												
Acq'd	Age	Factor	3	5	6	7	8	10	11	12	20	25		
2020	1	1.00	67	80	83	86	87	90	91	92	95	96		
2019	2	1.03	34	62	69	73	77	82	84	85	93	95		
2018	3	1.05	5	42	53	60	66	74	77	79	89	92		
2017	4	1.08		25	36	46	54	65	69	72	86	91		
2016	5	1.09			25	32	40	55	59	63	82	87		
2015	6	1.10				25	28	44	48	55	77	84		
2014	7	1.12					25	34	40	47	73	81		

3. Value = Historical Cost x Percent Good Factor

Value = \$100,000 x 0.44

Value = \$44,000



<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
<b><u>AEROSPACE INDUSTRY</u></b> .....	18	B	8
Primarily engaged in the manufacture of aircraft, spacecraft, rockets, missiles and component parts.			
<b><u>AIR CONDITIONING EQUIPMENT</u></b>			
Heat Pumps - All Sizes.....	18	B	7
Large - 20 Tons and Over .....	18	B	20
Medium and Small - Under 20 Tons.....	18	B	10
<b><u>AIRPORT GROUND EQUIPMENT</u></b> .....	18	B	10
Unlicensed Vehicles.....	18	B	10
<b><u>* AMUSEMENT AND RECREATION EQUIPMENT</u></b>			
A. Entertainment and Sports Venues			
Amusement Rides and Games (Bowlers, Pin Ball, Hobby Horses, Kiddie Rides, etc.) .....			
	18	B	5
Billiards and Pool.....	18	B	10
Boats.....	18	B	5
Bowling Alleys & Lottery Ticket Sales Equipment .....	18	B	8
Coin Operated Electronic Games (Video Games) .....	18	B	3
Dance Studio.....	18	B	10
Gymnasium (Health Clubs).....	18	B	10
Internet Sweepstakes, Video Poker Machines .....	18	B	5
Mobile Gaming Units .....	18	B	5
Museum .....	18	B	10
Music Machines, Pay-per-play Jukeboxes (includes digital), Karaoke Machines.....	18	B	5
Race Track .....	18	B	10
Rental Video Tapes, DVD's and Games.....	18	B	3
Theme Parks and Waterparks (Rides, Attractions, Waterslides, Roller Coasters, Alpine Coasters, etc.).....	18	B	12
Video Rental Tape Player.....	18	B	3
 B. Golf Carts .....	 18	 B	 5
 C. Miniature Golf Courses.....	 18	 B	 10
 D. Average All (Variety) .....	 18	 B	 7
<b><u>APARTMENT AND ROOMING HOUSE (FF&amp;E)</u></b> .....	20	G	8

\* Indicates a change from the previous year's publication.





**MAJOR CATEGORY**

**Page Schedule Life**

**\* APPAREL AND OTHER FINISHED PRODUCTS  
 MANUFACTURED FROM FABRICS, FABRICATED  
 TEXTILE PRODUCTS AND SIMILAR MATERIALS**

Fabrics – Knitwear, Furs and Diapers .....	17	A	9
Leather Apparel.....	17	A	11
Miscellaneous Textile Products - Draperies and Canvas .....	17	A	9
Rubber Apparel.....	17	A	14

**ASPHALT ROOFING MATERIALS  
 (EQUIPMENT USED TO MANUFACTURE)**

*See Petroleum Products Manufacturing.*

**AUTOMOBILE REPAIR AND SERVICE EQUIPMENT**

Car Wash (Automatic or Coin Operated).....	22	J	5
Electric Vehicle Charging Stations.....	22	J	8
Portable Service Station Equipment .....	22	J	10
Recapping, Retreading and Rebuilding Tires.....	22	J	8
Service Stations, Garages and Body Shops .....	22	J	10
Service Station Leak Detection Equipment.....	22	J	8
Service Station Test Equipment.....	22	J	8

**BAKERIES - RETAIL (BAKING AND SELLING).....** 17 A 10

**BANKS & SAVINGS AND LOAN EQUIPMENT**

Automated Teller Machines (ATM).....	21	H	5
Check Scanners .....	21	H	10
Closed Circuit TV - Pneumatic.....	21	H	4
Currency Lockers.....	21	H	20
Currency Processing Solution Safe.....	21	H	20
Drive in Windows and Night Depository.....	21	H	10
Inner Gates .....	23	M	50
Portable Vaults, Vault Doors .....	23	M	50
Safe Deposit Box .....	21	H	20
Teller Lockers .....	21	H	20
Teller Service Areas and Systems .....	21	H	10
Vent Fans and Additions.....	23	M	50
Visual Pneumatic .....	21	H	10

**BILLBOARDS** - See the *Billboard Structures Valuation Guide* online at:

<https://www.ncdor.gov/reports-and-statistics/billboard-structures-valuation-guide>

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>BOAT BUILDING</u>			
Boat Construction, Repair and Conversion .....	18	B	12
Fiberglass Boat Molds .....	18	B	3
<u>BOAT DOCKS (Where Classified as Personalty)</u>			
Steel or Other Metal Construction .....	18	B	20
Wood and Foam .....	18	B	5
<u>BOTTLING PLANT EQUIPMENT</u> .....	17	A	12
Manufacture, bottling or canning of soft drinks, fresh fruit drinks, mineral and distilled waters, carbonated beverages.			
<u>BROADCASTING - RADIO AND TV EQUIPMENT</u>			
Analog Television Broadcasting Equipment.....	18	B	5
Studio Broadcasting Equipment .....	18	B	6
Transmitting Towers .....	18	B	25
<u>CABLE MANUFACTURING</u> .....	21	I	10
Manufacture of fiber optic, coaxial, and data cable. Includes coaxial, composite, and twisted copper cable.			
<u>CABLE AND SATELLITE COMPANY EQUIPMENT</u>			
Distribution Systems - Cable (Coaxial and Fiber Optic).....	18	B	10
Distribution Systems - Electronics (Node Electronics, Amplifiers, Couplers, Splitters) .....	27	U	5
Head-end Equipment, Hub Equipment.....	27	U	5
Subscriber Connections (Set-top Boxes, Modems, External House Drops).....	27	U	5
Towers, Antennas, Dishes.....	18	B	25
<u>CELLULAR EQUIPMENT</u>			
A. Analog .....	18	B	3
Includes antenna cell site and cell equipment.			
B. Digital .....	27	U	6
Includes antenna cell site, cell equipment, microwave digital, tools and testing equipment, telephones, pagers, and antennas. (Includes 2G and 3G equipment in jurisdictions where the carrier <b><u>HAS NOT</u></b> deployed 4G or newer generation equipment in that jurisdiction.)			

Continued  
Next Page

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
C. Digital: Certain Obsolete Equipment.....	18	B	3
Includes obsolete, yet functioning, 2G and 3G equipment if the carrier <b>HAS</b> deployed 4G or newer generation equipment in that jurisdiction.			
D. Power Supply, PBX (Internal Phone System), Cabinets, Microwave Antennas .....	18	B	10
E. Towers, Concrete Structures Housing Cell Equipment....	18	B	25
<u>CEMENT MANUFACTURING AND CONCRETE PRODUCTS</u>			
Cement Manufacturing Plants .....	17	A	20
Concrete Products Manufacturing (Blocks, Pipe, etc.) .....	17	A	12
Mixers (Truck Mounted).....	17	A	6
Portable Ready Mix Plants.....	17	A	8
Ready Mix Concrete Plants .....	17	A	15
 <u>Note:</u> Cement manufacturing plants have a combination of quarrying and manufacturing machinery which should be reported and appraised separately.			
* <u>CHEMICAL AND ALLIED PRODUCTS</u> .....	17	A	10
Establishments producing basic chemicals and establishments manufacturing products by predominantly chemical processes such as industrial gasses, drugs, pharmaceuticals, detergents, perfumes, cosmetics, varnishes, cleaning preparations, paints, lacquers, enamels, hemp seed oil, CBD oil, etc.			
Manufacture of Compressed Gasses.....	17	A	8
<u>COMMUNICATION - TELEPHONE AND INTERCOM SYSTEMS- PAY PHONES</u> .....			
	18	B	10
<u>COMPUTER MANUFACTURING</u> .....			
	21	I	8
Includes manufacturers engaged in the assembly of computers.			
<u>CONTRACTOR'S EQUIPMENT</u>			
Barricades and Warning Devices.....	17	A	3
Cranes to 50 Tons, Shovels to 8 Cubic Yards .....	17	A	10
Cranes, Shovels, and Drag Lines .....	18	B	25

Continued  
Next Page

\* Indicates a change from the previous year's publication.



<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
General Construction - Highway, Dams, etc.....	17	A	8
Portable Asphalt Batch Plants.....	17	A	6
Special Trade Contractors: Electrical Heating, Plumbing, Painting, Framing & Carpentry.....	17	A	10
Stationary Asphalt Batch Plants.....	17	A	14
<b><u>COPYING AND PRINTING EQUIPMENT</u></b> .....	27	U	5
Includes computer printers, network computer printers, copiers, scanners, multi-functioning devices, desktop 3-D printers, portable commercial printing equipment, and leased copying and printing equipment.			
Industrial/Commercial 3-D Printers.....	17	A	11
<b><u>COTTON GINS AND COMPRESSES</u></b> .....	17	A	12
Cotton gin machinery for removing seeds from raw cotton. Cotton compresses are machines used to bale cotton after ginning.			
<b>* <u>CRYPTOCURRENCY MINING</u></b> .....	27	U	8
<b><u>DATA PROCESSING EQUIPMENT</u></b> .....	27	U	5
This category is for non-production computers. It includes personal computers, taxable software, smartboards, midrange and mainframe computers, and their peripherals used for data processing. Includes standard IBM compatible personal computers used in manufacturing and point of sale (POS) systems, but not proprietary POS units, such as computers built specifically to be used as POS computers or other proprietary computerized systems. For POS proprietary systems and electronic cash registers, see <i>Store Equipment</i> .			
This category <u>does not</u> include computers embedded in machinery, nor does it include equipment or computers specifically designed for use in any other application directly related to manufacturing or retail. It does not include equipment that is an integral part of other capital equipment that is included in other classes of economic activity, such as computers used primarily for process or production control, switching, channeling, and automating distributive trades and services, such as proprietary POS computer systems.			
This category <u>does not</u> include equipment of a kind used primarily for the amusement or entertainment of the user.			

Note: Accelerated depreciation is used on data processing equipment. The residual is 5%.

\* Indicates a change from the previous year's publication.



<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
<b><u>DRILLING EQUIPMENT (GAS, PETROLEUM &amp; WATER)</u></b>			
Exploration and Drilling Equipment.....	17	A	6
Includes water activated well drilling equipment that is mounted on vehicles.			
<b><u>DRONES</u></b> .....	18	B	5
<b><u>DRY CLEANING AND LAUNDRY EQUIPMENT</u></b>			
Self-Serve (Coin/Card Operated).....	18	B	6
Commercial.....	18	B	10
Leased and Rented Linens and Uniforms.....	24	N	2
<b><u>ELECTRIC ENERGY GENERATION EQUIPMENT</u></b>			
A. Biomass-Renewable Organic Matter Electricity			
Generating Equipment .....	26	T	18
B. Hydro-electric Generating Equipment .....			
	26	T	50
C. Natural Gas-Fired and Combined Cycle Electrical			
Generating Equipment.....	26	T	18
D. Photovoltaic Solar Electric Generating Equipment.....			
	26	T	18
E. Steam Powered Electric Generating Equipment.....			
	26	T	28
Includes assets used in the steam power production of electricity for sale, combustion turbines operated in a combined cycle with a conventional steam unit.			
F. Thermal Solar Electric Generating Equipment.....			
	26	T	18
G. Wind Power Electricity Generation Systems .....			
	26	T	18
Includes wind turbines, support shafts and foundations, ancillary lines, transformers, and other equipment necessary to move the electricity from the wind turbines to the utility's transmission line.			
<b><u>ELECTRICAL EQUIPMENT</u></b> .....	21	I	10
Includes the manufacture of electrical household appliances, batteries, and machinery used in the generation and utilization of electric energy.			

\* Indicates a change from the previous year's publication.



**MAJOR CATEGORY**

**Page Schedule Life**

**\* ELECTRONIC EQUIPMENT**

A. Manufacturing of electronic communication, detection, guidance, control, radiation computation, test and navigation equipment.....	21	I	8
B. Manufacturers engaged only in the purchase and assembly of electronic components.....	21	I	12
C. Semi-Conductor Manufacturing .....	27	U	6
D. Semi-Conductor Testing Equip.....	27	U	8
E. Vapor De-pollution System .....	17	A	5

**FABRICATED METAL PRODUCTS** ..... 17      A      12

Includes the manufacture of fabricated metal products such as cans, tin ware, hardware, metal structural products, architectural and ornamental metalwork, nuts, bolts, metal awnings, portable metal structures, etc.

**FARM AND RANCH MACHINERY AND EQUIPMENT** ..... 17      A      10

Includes all farm implements, machinery and equipment used in the production of crops and animals, on the farm processing of feeds, poultry and swine house equipment, tractors, combines, and cotton harvesters.

**Note:** Whenever possible, this equipment should be appraised using the market (sales comparison) approach. There are several good pricing guides available which provide market values of farm equipment based on sales. **If the county appraises farm equipment using the cost approach, the A-10 schedule with a 25% residual is statutorily required for all equipment in this category! See G.S. 105-317.1(b1).**



**FIBER OPTICS MANUFACTURING**.....21      I      8  
 Manufacturers of glass fiber for fiber optics.

**\* FOOD, BEVERAGE AND KINDRED PRODUCTS**  
**(MANUFACTURING, PACKAGING, AND PROCESSING)**

Bakery Products .....	17	A	12
Brewery and Distillery, Winery Equipment .....	17	A	12
Canned, Preserved Fruits and Vegetables .....	17	A	12
Confectionery and Related Products .....	17	A	12
Creamery and Dairy Products.....	17	A	12

Continued  
Next Page

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
Grain Mill Products.....	17	A	17
Includes assets used in the production of flours, cereals, livestock feeds, and other grain and grain mill products; large hammer mills.			
Grain Tanks.....	17	A	15
Miscellaneous Food Preparations (Examples: Honey, Potato Chips, Pet Food).....	17	A	12
Sugar and Sugar Products.....	17	A	18
Vegetable Oil Products.....	17	A	18
<u>FURNITURE MANUFACTURE OF WOOD PRODUCTS, (EXCLUDES LUMBER MANUFACTURING)</u> .....	17	A	10
<u>GLASS AND GLASS PRODUCTS (EXCLUDES MANUFACTURE OF LENSES)</u> .....	17	A	14
Includes the manufacture of glassware, pressed or blown, and the manufacture of products from purchased glass, such as quartz and Pyrex, laboratory apparatus, art glass, doors made from purchased glass, glass containers, plate, safety and window glass.			
Manufacture of Mirrors.....	17	A	10
<u>HOTEL, MOTEL AND RESORT EQUIPMENT</u> .....	20	D	10
Televisions.....	18	B	5
<u>LANDSCAPING EQUIPMENT</u> .....	17	A	8

IDLE EQUIPMENT

Equipment that has been taken off production status on a permanent basis is considered to be idle equipment. This classification should not be confused with equipment that is temporarily idle due to not yet being placed into production (CIP), a downturn in the economy, seasonal production, routine maintenance, etc. Although we recommend in most cases that some additional depreciation adjustment be made to verified idle equipment, there is no firm guideline as to what adjustment should be made to determine the final value.

In determining the amount of adjustment, the county appraiser must review each situation, taking into account all the factors affecting the property such as age, condition, past and future uses, marketability, remaining life, and reasons for the equipment being idle.

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>INSTRUMENTS (PROFESSIONAL, SCIENTIFIC &amp; CONTROLLING, PHOTOGRAPHIC AND OPTICAL, WATCHES AND CLOCKS)</u> .....	18	B	12
Includes establishments in manufacturing scientific and research instruments such as meters - gas, liquid, tallying and measuring; optical elements and assemblies, hearing aids, hearing test equipment, wheel chairs, prosthetic devices, contact lenses, photographic accessories, data cameras, watches and clocks.			
<u>LEASED OFFICE BUSINESS MACHINES</u> .....	25	S	5
This category also includes leased fax machines and communication equipment. It <u>does not</u> include electronic data processing equipment, portable commercial printing equipment, copiers, and mailing and postage machines.			
<u>LEATHER AND LEATHER PRODUCTS</u> .....	17	A	11
Includes the manufacture of finished leather products; tanning, currying and finishing of hides and skins; and the processing of fur pelts. For example: footwear, handbags, saddles, harnesses, luggage, etc.			
<u>LUMBERING</u>			
Logging Equipment .....	17	A	8
Sawmill (Portable) .....	17	A	6
Sawmill Machinery and Equipment (Permanent Mills).....	17	A	10
Includes lumber manufacturing.			
<u>MACHINERY AND MANUFACTURING</u> .....	17	A	10
Includes the manufacture of machinery such as engines and turbines; ball and roller bearings; farm, construction, mining, food products, office, and paper industry machinery; compressors, pumps, blowers, industrial patterns, process furnaces and ovens, service industry machines, and equipment used in machine shops. Excludes the manufacture of electrical machinery.			
<u>MANUFACTURED HOME MANUFACTURING</u> .....	18	B	10
<u>MEAT PRODUCTS - MANUFACTURING, PACKAGING AND PROCESSING</u> .....	17	A	12

\* Indicates a change from the previous year's publication.





<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
<b><u>MEDICAL EQUIPMENT</u></b> .....	19	C	10
Includes medical, dental, nursing home, hospital, veterinarian, laboratory and pharmaceutical machinery and equipment.			
CAT Scan & MRI Equipment. ....	19	C	6
<b><u>METAL WORKING MACHINERY</u></b> .....	17	A	12
Manufacture of metal cutting, grinding, forming machines, jigs, dies, fixtures and accessories.			
<b><u>MINING, QUARRYING AND PROCESSING (METAL AND NON-METAL)</u></b>			
Cranes, Shovels and Drag Lines .....	18	B	25
Environmental Equipment .....	17	A	12
Foil Manufacturing .....	17	A	8
A. <u>Metal:</u>			
Metal Processing Plants (Ex. Custom Smelters) .....	17	A	20
Milling and Chemical Plant Equipment.....	17	A	15
Mining Equipment.....	17	A	10
B. <u>Non-Metal:</u>			
Granite Quarrying and Processing .....	17	A	9
Mining and Quarrying.....	17	A	10
Includes non-metallic minerals such as sand and gravel, ceramic clay, cinder, stone (other than granite), chemicals, and fertilizers.			
Portable Sand and Gravel Units. ....	17	A	8
<b>* <u>MISCELLANEOUS MANUFACTURING</u></b> .....	17	A	12
Industries engaged in manufacturing the following: jewelry, silverware and plated ware, musical instruments, toys, amusement, sporting and athletic goods, pens, pencils, and other artist's materials, costume jewelry, notions, brooms and brushes, firearms, etc.			
<b>* <u>MODULAR OFFICE AND STORAGE SPACE</u></b> .....	18	B	10
Includes transportable, pre-fab structures.			
<b><u>MORTUARY AND CEMETERY EQUIPMENT</u></b> .....	18	B	10

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>MOTOR VEHICLE PARTS AND ACCESSORIES</u> .....	18	B	12
Includes the manufacture of custom automobiles, vans, special truck bodies, catering, garbage, etc. The category also includes the manufacture of parts and accessories such as brake pads, shock absorbers, trailer hitches, etc.			
<u>OFFICE FURNITURE, FIXTURES, MACHINES AND EQUIPMENT</u> .....	22	K	10
Includes mailing and postage machines, fax machines, burglar alarms, fire alarms, office furniture, security systems, etc. It <u>does not</u> include personal computers.			
<u>PAPER AND ALLIED PRODUCTS</u>			
A. Paper Finishing and Converting.....	17	A	12
Includes the finishing and converting of paper into cartons, bags, envelopes, and other similar products.			
B. Pulp and Paper.....	17	A	16
Includes the manufacture of pulp and pulp products from wood, rags, and other fibers. Also included is the manufacture of paper and paperboard products.			
<u>* PERSONAL CARE SERVICES</u> .....	18	B	10
Includes tanning, massage, manicure, pedicure, body art (tattoo and piercing), and other related salon, spa and barbershop equipment.			
<u>PETROLEUM PRODUCTS MANUFACTURING</u> .....	17	A	14
Includes equipment used in manufacturing asphalt shingles, roofing materials etc.			
<u>PETROLEUM AND GAS</u>			
Natural Gas and Helium Production Plants .....	17	A	14
Oil and Gas Well Production Equipment .....	17	A	14
Includes well head equipment, gathering pipelines and related storage facilities.			
Petroleum Refining Plants .....	17	A	16
Petroleum Storage Facilities .....	17	A	16
Propane Gas Tanks and Distribution Equipment .....	18	B	25

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>PHOTOGRAPHIC</u>			
Automatic Film Processing Equipment.....	19	C	9
Includes 1-hour photo type.			
Self-service Digital Input Photo Equipment.....	19	C	6
<u>PLASTIC PRODUCTS</u> ..... 17			
Includes the manufacture of processed, fabricated and finished plastic products as well as the manufacture of basic plastic materials such as plastic bottles, Styrofoam cups and packaging materials, plastic pipe, tubing, plastic screen, fiberglass bathroom fixtures, etc.			
<u>PRIMARY METAL INDUSTRIES</u>			
Includes most hot metal processes such as the manufacture of foundry products, castings, forgings, sheet metal, pipe tubing, structural shapes and wire.			
Ferrous - Iron .....	17	A	18
Non-ferrous - Aluminum, Copper .....	17	A	14
<u>PRINTING AND PUBLISHING</u> ..... 17			
Includes printing, publishing, lithography, and printing services such as bookbinding, typesetting, photo engravings, and electrotyping.			
<u>Note:</u> Electronic data processing and other computer equipment used in publishing should be listed and appraised separately.			
<u>PROFESSIONAL EQUIPMENT (MISCELLANEOUS)</u> ..... 18			
Includes architects, accountants, engineers, photographic studio equipment, taxidermists, hobby and craft shops, graphic design illustrations, etc.			
* <u>PROFESSIONAL LIBRARIES</u> ..... Not Scheduled			
Accountants, Architects, Engineers, Law, Medical, etc.			

Note: Used volumes in good saleable condition should be appraised at 1/3 of original cost, regardless of age.

\* Indicates a change from the previous year's publication.



<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
<b><u>REFRIGERATION EQUIPMENT</u></b> .....	18	B	10
Vacuum Cooling Stationary.....	18	B	10
Vacuum Cooling Portable.....	18	B	8
<b><u>RENTAL EQUIPMENT</u></b> .....	25	P	5
<p>The equipment covered by this schedule consists of, but is not limited to, the following: hand tools, portable gasoline powered equipment, service equipment, small mixers, lawn and garden equipment, printing equipment, leased furniture and fixtures, etc. These schedules are also for property which is typically rented on an hourly or daily basis.</p>			
<b><u>REPAIR SHOP EQUIPMENT</u></b> .....	17	A	10
<p>Includes electrical, watch, clock, jewelry, radio, TV, upholstery, furniture, household appliances, welding, locksmith, shoe, etc.</p>			
<b><u>RESTAURANT, BAR AND SODA FOUNTAIN EQUIPMENT</u></b> .....	20	E	10
<p>Includes all eating and drinking establishments selling prepared food and/or drinks, as well as equipment installed on food trucks.</p>			
<b><u>RUBBER PRODUCTS</u></b> .....	17	A	14
<p>Includes the manufacture of finished rubber products.</p>			
<b><u>SCALES</u></b>			
10 - 25 Tons .....	17	A	20
Less than 10 Tons .....	17	A	10
Portable .....	17	A	10
<b><u>SCHOOL EQUIPMENT</u></b> .....	20	D	10
<b><u>SCRAP METAL</u></b> .....	17	A	10
<p>Equipment used in the cutting, wrecking, and storing of scrap metals.</p>			
<b><u>* SIGNS OTHER THAN BILLBOARDS</u></b> .....	24	N	10 - 20
<p>Includes on and off premise signs erected for the purpose of information and direction. If the sign is considered a</p>			

Continued  
Next Page

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<p>"logo" type, it should be listed at historical cost and depreciated on a 10 to 20-year life.</p>			
<u>STONE AND CLAY PRODUCTS EXCEPT CEMENT</u> .....	17	A	15
<p>Includes the manufacture of structural clay products such as brick, tile, pipe, etc. The category also includes pottery and related products such as vitreous china, plumbing fixtures, earthenware, ceramic insulating materials, asphalt building materials, gypsum and plaster products, cut and finished stone and abrasives, asbestos, and miscellaneous non-metallic mineral products.</p>			
<u>STORE EQUIPMENT</u>			
A. Retail, Wholesale and Supply .....	20	D	10
<p>Includes general merchandise, building materials, hardware, apparel, accessory, furniture, home furnishings, equipment, jewelry, food, grocery, wholesale, supply, and miscellaneous retail store equipment, etc.</p>			
B. Point of Sale (POS) and Proprietary Computerized POS Units .....	20	D	6
<p>Includes peripherals, hand held computers and electronic cash registers. It <u>does not</u> include personal computers used as POS terminals or computers acting as servers. See <i>Data Processing Equipment</i>.</p>			
<u>STRAIGHT LINE SCHEDULES</u> .....	24	N	
<p>When using the straight line schedules, a residual value of 25% remains in effect unless variation is indicated by the property being appraised.</p>			
<u>TELECOMMUNICATIONS SWITCH MANUFACTURING</u>			
Switch Manufacturing Equipment .....	27	U	8
Switch Testing Equipment .....	27	U	6
<u>TESTING EQUIPMENT</u> .....	25	R	8
<p>Includes equipment used in research and development.</p>			

\* Indicates a change from the previous year's publication.



<b><u>MAJOR CATEGORY</u></b>	<b><u>Page</u></b>	<b><u>Schedule</u></b>	<b><u>Life</u></b>
<b><u>TEXTILE MILL PRODUCTS</u></b> .....	17	A	10
Includes the manufacture of spun, woven or processed yarns and fabrics from natural or synthetic fibers.			
Textile finishing and dying .....	17	A	8
 <i>Note:</i> For idle equipment see <i>Idle Equipment</i> . A 5% residual for equipment acquired in 2009 and earlier remains applicable if deemed appropriate by the appraiser.			
<b><u>THEATER EQUIPMENT</u></b> .....	20	D	10
<b><u>TOBACCO AND TOBACCO PRODUCTS MANUFACTURING</u></b> .....	17	A	15
<b>* <u>TOOLS, MOLDS, DIES AND JIGS</u></b> .....	24	N	2 - 7
Special tools are defined as tools used in manufacturing; such as molds, dies, and jigs which are specifically designed for the production or processing of particular parts and have no significant utilitarian value and cannot be adapted to a further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. This category excludes general purpose small tools.			
 <i>Note:</i> It will be necessary to determine from the manufacturer the average life of this category of property. Once the proper life has been determined, apply the straight-line Schedule N.			
<b><u>TRANSPORTATION EQUIPMENT</u></b> .....	18	B	12
This category includes the manufacture of motor homes, campers, and motorcycles.			
<b>* <u>VENDING EQUIPMENT</u></b> .....	24	N	6
Includes food, beverages, cigarettes, change, newspapers, photo, stamps, breathalyzer, cellphone analysis, movies, games, tools, keys, used electronics, etc.			
Automatic Bulk Ice Vending Machines .....	18	B	8
<b><u>WAREHOUSE MATERIALS HANDLING EQUIPMENT</u></b> .....	17	A	10
Includes forklifts and pallets.			

\* Indicates a change from the previous year's publication.



<u>MAJOR CATEGORY</u>	<u>Page</u>	<u>Schedule</u>	<u>Life</u>
<u>WASTE MANAGEMENT</u> ..... 18 Includes assets and equipment used in the collection and management of household garbage and similar waste; Green Box containers; toters; and similar equipment.	18	B	8
<u>WIRE PRODUCTS MANUFACTURING</u> ..... 17 Establishments primarily engaged in the manufacture of wire.	17	A	14
<u>WOODWORKING EQUIPMENT</u> ..... 20	20	F	10

---

\* Indicates a change from the previous year's publication.

2021 Cost Index and Depreciation Schedules



NC Department of Revenue  
Local Government Division  
Personal Property Section

Index Page 17  
Effective 1/1/2021

Schedule A Valuation Table  
Historical (Original) Cost  
Percent Good Factors

Year		Trend	Life in Years													
Acq'd	Age	Factor	3	5	6	8	9	10	11	12	14	15	16	17	18	20
2020	1	1.00	67	80	83	87	89	90	91	92	93	93	94	94	94	95
2019	2	1.02	34	61	68	77	81	82	84	85	88	89	89	90	91	92
2018	3	1.04	25	42	52	66	70	73	76	78	82	83	84	85	86	88
2017	4	1.07		25	35	54	60	64	68	72	76	78	80	81	83	86
2016	5	1.08			25	40	48	54	58	63	69	72	75	77	78	81
2015	6	1.09				27	36	44	48	55	62	65	69	71	73	76
2014	7	1.11				25	25	33	40	47	56	59	62	65	68	72
2013	8	1.13						25	31	37	49	53	57	60	63	68
2012	9	1.14							25	29	41	46	50	54	57	63
2011	10	1.17								25	34	39	43	48	51	59
2010	11	1.20									25	32	37	42	47	54
2009	12	1.21										25	30	35	40	48
2008	13	1.22											25	28	34	43
2007	14	1.28												25	28	38
2006	15	1.31													25	33
2005	16	1.34														27
2004	17	1.39														25

**Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.**










2021 Cost Index and Depreciation Schedules

		NC Department of Revenue						Index Page 21					
		Local Government Division						Effective 1/1/2021					
		Personal Property Section											
Schedules H, I, Valuation Table													
Historical (Original) Cost													
Percent Good Factors													
		Schedule H						Schedule I					
Year		Trend	Life				Trend	Life					
Acq'd	Age	Factor	4	5	10	20	Factor	5	8		10	12	
2020	1	1.00	75	80	90	95	1.00	80	87		90	92	
2019	2	1.02	51	61	82	92	1.00	60	75		80	83	
2018	3	1.04	26	42	73	88	0.99	40	62		69	74	
2017	4	1.06	25	25	64	85	1.00	25	50		60	67	
2016	5	1.07			54	80	1.00		37		50	58	
2015	6	1.07			43	75	0.99		25		40	50	
2014	7	1.08			32	70	0.99				30	42	
2013	8	1.09			25	65	0.99				25	33	
2012	9	1.10				61	1.00					25	
2011	10	1.11				56	0.99						
2010	11	1.14				51	0.99						
2009	12	1.15				46	0.99						
2008	13	1.16				41	0.97						
2007	14	1.21				36	0.96						
2006	15	1.22				31	0.95						
2005	16	1.26				25	0.95						
2004	17	1.28					0.95						
2003	18	1.30					0.93						
Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.													

2021 Cost Index and Depreciation Schedules



NC Department of Revenue  
 Local Government Division  
 Personal Property Section

Index Page 22  
 Effective 1/1/2021

Schedules J, K, L, Valuation Table

Historical (Original) Cost

Percent Good Factors

		Schedule J				Schedule K				Schedule L				
Year		Trend	Life			Trend	Life			Trend	Life			
Acq'd	Age	Factor	5	8	10	Factor	5	10		Factor	5	6	14	16
2020	1	1.00	80	87	90	1.00	80	90		1.00	80	83	93	94
2019	2	1.01	61	76	81	1.02	61	82		1.05	63	70	90	91
2018	3	1.03	41	65	72	1.05	42	74		1.06	42	53	84	86
2017	4	1.06	25	53	64	1.08	25	65		1.08	25	36	77	81
2016	5	1.07		40	54	1.10		55		1.06		25	68	73
2015	6	1.07		27	43	1.10		44		1.06			60	67
2014	7	1.08		25	32	1.13		34		1.07			54	60
2013	8	1.09			25	1.16		25		1.08			46	54
2012	9	1.10				1.17				1.08			39	48
2011	10	1.12				1.19				1.10			32	41
2010	11	1.13				1.21				1.12			25	35
2009	12	1.14								1.12				28
2008	13	1.16								1.12				25
										1.12				
										1.12				

**Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.**



2021 Cost Index and Depreciation Schedules



NC Department of Revenue  
Local Government Division  
Personal Property Section

Index Page 24  
Effective 1/1/2021

Schedule N

Straight Line Depreciation Table

Year																			Age
Acq'd	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	20	25	(yrs)
2020	50	67	75	80	83	86	87	89	90	91	92	92	93	93	94	94	95	96	1
2019	0	33	50	60	67	71	75	79	80	82	83	84	86	87	87	88	90	92	2
2018		0	25	40	50	57	63	67	70	73	75	77	79	80	81	82	85	88	3
2017			0	20	33	43	50	56	60	64	67	69	71	73	75	76	80	84	4
2016				0	17	29	37	44	50	54	58	61	64	67	69	71	75	80	5
2015					0	14	25	33	40	44	50	54	57	60	63	65	70	76	6
2014						0	13	22	30	36	42	46	50	53	56	59	65	72	7
2013							0	11	20	27	33	38	43	47	50	53	60	68	8
2012								0	10	18	25	31	36	40	44	47	55	64	9
2011									0	9	17	23	29	33	37	41	50	60	10
2010										0	8	15	21	27	31	35	45	56	11
2009											0	8	14	20	25	29	40	52	12
2008												0	7	13	19	23	35	48	13
2007													0	7	13	18	30	44	14
2006														0	6	12	25	40	15
2005															0	6	20	36	16
2004																0	15	32	17
2003																	10	28	18
2002																	5	24	19
2001																	0	20	20
2000																		16	21
1999																		12	22
1998																		8	23
1997																		4	24
1996																		0	25

**Note: Use a 25% residual value when applying these schedules.**





2021 Cost Index and Depreciation Schedules



NC Department of Revenue  
Local Government Division  
Personal Property Section

Index Page 26  
Effective 1/1/2021

Schedule T Valuation Table  
Historical (Original) Cost  
Percent Good Factors

			Year	Age	Trend	Life Years			Year	Age	Trend	Life Years	
			Acq'd	Yrs	Factor	18	28	50	Acq'd	Yrs	Factor	28	50
			2020	1	1.00	94	96	98	1995	26	1.67		80
			2019	2	0.92	82	86	89	1994	27	1.73		80
			2018	3	0.93	78	83	88	1993	28	1.78		78
			2017	4	0.96	75	82	88	1992	29	1.84		77
			2016	5	0.97	70	79	87	1991	30	1.87		75
			2015	6	1.01	67	79	89	1990	31	1.89		72
			2014	7	1.12	68	84	96	1989	32	1.96		70
			2013	8	1.16	65	83	98	1988	33	2.10		71
			2012	9	1.24	62	84	101	1987	34	2.23		71
			2011	10	1.26	56	81	101	1986	35	2.30		69
			2010	11	1.29	50	79	101	1985	36	2.75		77
			2009	12	1.30	43	74	99	1984	37	3.00		78
			2008	13	1.29	36	69	96	1983	38	3.13		75
			2007	14	1.32	29	66	95	1982	39	3.36		74
			2006	15	1.33	25	62	93	1981	40	3.81		76
			2005	16	1.35		58	92	1980	41	3.98		72
			2004	17	1.37		54	91	1979	42	4.71		75
			2003	18	1.39		50	89	1978	43	4.88		68
			2002	19	1.40		45	87	1977	44	5.09		61
			2001	20	1.44		41	86	1976	45	5.42		54
			2000	21	1.47		37	85	1975	46	5.82		47
			1999	22	1.48		32	83	1974	47	6.10		37
			1998	23	1.50		27	81	1973	48	6.37		25
			1997	24	1.53		25	80	1972	49	6.63		
			1996	25	1.60			80	1971	50	6.66		

**Do not apply the trend factors to the percent good factors. The percent good factors already have the trend factors incorporated. This is true for all schedules in this manual.**

