



STATE OF WEST VIRGINIA  
Department of Revenue  
State Tax Department

Joe Manchin III  
Governor

2008 JAN 28 PM 3:12  
SECRETARY OF STATE  
Christopher G. Morris  
State Tax Commissioner

ADMINISTRATIVE NOTICE 2008-14

**SUBJECT:** Property Tax -- State Tax Commissioner's Statement Concerning Primary Reliance on the *Green Guide* for the Appraisal of Used Heavy Equipment.

On July 26, 1991, the State Tax Department filed Legislative Regulations § 110 CSR 1P-1 et seq. concerning the appraisal of industrial real and personal property. This notice will address the Department's primary reliance on the *Green Guide* for the appraisal for property tax purposes of used heavy equipment.

DISCUSSION

The *Green Guide for Administrative Valuation and Assessment of Used Construction Equipment* provides a comprehensive, reliable, and up-to-date source for estimates of current market value of construction equipment manufactured during the past ten years.

The values in this guide are derived from an extensive data reporting system supplied by equipment dealers and distributors, manufacturers, auctioneers, and contractors. This information is analyzed by the professional staff of the *Green Guide* using the most up-to-date computerized methods. The values presented in the *Green Guide* are compiled from analysis of used heavy equipment sales. Standard economic analysis (including such factors as inflation and depreciation rates, current replacement costs, average life of equipment, supply and demand, and current construction industry activity) is used in conjunction with actual sales reports and are relied upon when sufficient sales data on any particular piece of equipment is not available.

The values presented in the *Green Guide* represent a nationwide average for equipment in typical working condition. Any dollar amounts shown in this guide are adjusted to fit the mechanical condition of a specific unit. Market conditions also have a bearing on the value of equipment and can vary in different areas. Each section in the *Green Guide* has a value modification map, and where sufficient data exists a percentage change (plus or minus) from average values is indicated by region.

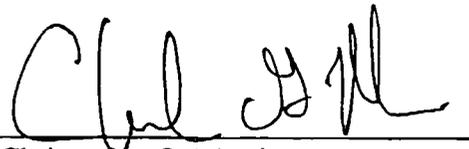
The *Green Guide* has been in publication for over thirty (30) years and there are roughly 6,000 guides in circulation today that are used by the following industries or categories of industries.

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|-------------------------|------------------------------|
| Agriculture Equip. Mfg. | Hwy/Heavy Const. Contractors |
| Gen. Bldg. Contractors  | Const. Material Mfg.         |
| Logging Companies       | Mining Companies             |
| State Government        | County/Local Government      |
| Construction Dealers    | Lift Truck Dealers           |
| Consulting Engineers    | Unions/Trade Associations    |
| Appraisers              | Auctioneers                  |
| Leasing Companies       | Banks                        |
| Utility/Power           | Heavy Equip. Mfg.            |
| Lift Truck Mfg.         | Federal Government           |
| Architects              | Insurance Companies          |
| Import/Export Companies | Construction Mfg.            |

The *Green Guide's* average resale value for heavy equipment that is used by the State Tax Department reflects the national average of prices, adjusted to this region, reflecting equipment sold by dealers and contractors under fair market conditions. It is considered to be the price that an end user and willing buyer will pay for a machine for which he has an immediate use. The *Green Guides* are used and accepted by a wide range of industries and have long been the standard used by the State Tax Department for referencing used heavy equipment values.

For more information concerning the appraisal of used heavy equipment, please contact the Property Tax Division of the State Tax Department at telephone number (304) 558-3940.

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West Virginia State Tax Department

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