Example A

One-year-old personal computer equipment, acquired for $28,000, has a current RCNLD of $3,500.

STEP 1: In the Valuation Tables Index, found in Chapter 6 of the Personal Property Manual, locate the entry for "COMPUTERS and COMPUTER EQUIPMENT," noting the subgroup "Computer Operating Software and Related Peripheral Equipment." According to the index, personal computers are valued using Valuation Table 5 and have a four-year economic life.

STEP 2: Use the 4 Year Life column of Sample Valuation Table 5 to locate the 12.5-percent valuation factor (shaded row) for one-year-old computer equipment (age one). The additional statutory depreciation factor is used because the equipment age places it within its first five years of valuation in Arizona.

STEP 3: Multiply the $28,000 acquisition cost by the 12.5-percent valuation factor to calculate the RCNLD of $3,500. ($28,000 X 0.125 = $3,500).

SAMPLE VALUATION TABLES 2 and 5

Age	TABLE 2		TABLE 5			
	5 Year Life		2 Year Life		4 Year Life	
	*Classes 1 & 2	All Other Classes	*Classes 1 & 2	All Other Classes	*Classes 1 & 2	All Other Classes
1	55	55	30	30	50	50
1	**13.8**		**7.5**		**12.5**	
2	50	50	2.5	15	30	30
2	**23.0**		**2.5**		**13.8**	
3	30	30			20	20
3	**18.6**				**12.4**	
4	20	20			2.5	10
4	**15.6**				**2.5**	
5	2.5	10				