

Expectancy Life (% Good) Factors*

Tax Year 2020

20.0% Floor Depreciation**

8.0% Rate of Return**

Year Installed**	Age (yrs)	Service Life (yrs)										
		3	5	7	8	10	12	15	20	25	30	35
2019	1	0.6920	0.8295	0.8879	0.9060	0.9310	0.9473	0.9632	0.9781	0.9863	0.9912	0.9942
2018	2	0.3593	0.6455	0.7669	0.8044	0.8564	0.8904	0.9234	0.9545	0.9715	0.9816	0.9879
2017	3	0.1000	0.4466	0.6362	0.6948	0.7759	0.8289	0.8804	0.9291	0.9556	0.9713	0.9812
2016	4		0.2319	0.4950	0.5764	0.6889	0.7626	0.8340	0.9015	0.9384	0.9602	0.9738
2015	5		0.2000	0.3425	0.4485	0.5950	0.6909	0.7839	0.8718	0.9198	0.9482	0.9660
2014	6			0.2000	0.3103	0.4936	0.6134	0.7298	0.8397	0.8997	0.9352	0.9574
2013	7			0.2000	0.2000	0.3841	0.5298	0.6714	0.8050	0.8779	0.9212	0.9482
2012	8				0.2000	0.2658	0.4395	0.6083	0.7676	0.8545	0.9061	0.9383
2011	9					0.2000	0.3420	0.5401	0.7271	0.8292	0.8898	0.9275
2010	10					0.2000	0.2366	0.4665	0.6834	0.8018	0.8721	0.9159
2009	11						0.2000	0.3870	0.6363	0.7723	0.8531	0.9034
2008	12						0.2000	0.3011	0.5853	0.7404	0.8325	0.8899
2007	13							0.2083	0.5303	0.7060	0.8103	0.8753
2006	14							0.2000	0.4709	0.6688	0.7862	0.8595
2005	15							0.2000	0.4067	0.6286	0.7603	0.8424
2004	16								0.3373	0.5852	0.7323	0.8240
2003	17								0.2625	0.5383	0.7021	0.8041
2002	18								0.2000	0.4877	0.6694	0.7827
2001	19								0.2000	0.4331	0.6341	0.7595
2000	20									0.3740	0.5960	0.7344
1999	21									0.3103	0.5549	0.7074
1998	22									0.2414	0.5105	0.6782
1997	23									0.2000	0.4625	0.6466
1996	24									0.2000	0.4106	0.6125
1995	25										0.3547	0.5757
1994	26										0.2942	0.5360
1993	27										0.2289	0.4931
1992	28										0.2000	0.4467
1991	29										0.2000	0.3967
1990	30											0.3426
1989	31											0.2842
1988	32											0.2211
1987	33											0.2000
1986	34											0.2000
1985	35											
1984	36											
1983	37											
1982	38											
1981	39											
1980	40											

Expectancy Life Formula:
$$\% \text{ Good} = \frac{(1+R)^{SL} - (1+R)^{\text{Age}}}{(1+R)^{SL} - 1}$$
 where R = Rate of Return (decimal)
 SL = Service Life (yrs)
 Age = Age (yrs)

* Expectancy Life Factor for any particular year is the inverse of allowed percentage depreciation, converted to decimal form. For example, using a 0.80 expectancy life factor (80% Good) is equivalent to allowance of 20% depreciation. Age-life methods of depreciation are based on the principle of remaining useful life of a property and use calculations related to the accrual of funds necessary to replace the non-salvageable portion of the property over a stated period of time assuming a typical rate of return. The fund balance at any point in time represents the cumulative depreciation the subject property has experienced. A greater assumed rate of return implies less depreciation is taking place, because less accrual of funds is needed over that stated time period to build the replacement cost of the assets. These methods relate to the concept of value as measured by the present worth of the future returns from a property's continued use. This concept is opposed to accounting methods that are used primarily for IRS cost allocation (tax write-off) purposes. For a complete discussion of valuation depreciation, please reference "Engineering Valuation and Depreciation" by Marston, Winfrey and Hempstead.

** For illustrative purposes only. Different categories of property may have different floor depreciation rates and rates of return. Figures in "Year Installed" column are relative to current tax year.