

Expectancy Life (% Good) Factors*

Tax Year 0

0.0% 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
-1	1	0.6920	0.8295	0.8879	0.9060	0.9310	0.9473	0.9632	0.9781	0.9863	0.9912	0.9942
-2	2	0.3593	0.6455	0.7669	0.8044	0.8564	0.8904	0.9234	0.9545	0.9715	0.9816	0.9879
-3	3	0.0000	0.4466	0.6362	0.6948	0.7759	0.8289	0.8804	0.9291	0.9556	0.9713	0.9812
-4	4	0.0000	0.2319	0.4950	0.5764	0.6889	0.7626	0.8340	0.9015	0.9384	0.9602	0.9738
-5	5	0.0000	0.0000	0.3425	0.4485	0.5950	0.6909	0.7839	0.8718	0.9198	0.9482	0.9660
-6	6	0.0000	0.0000	0.1778	0.3103	0.4936	0.6134	0.7298	0.8397	0.8997	0.9352	0.9574
-7	7	0.0000	0.0000	0.0000	0.1611	0.3841	0.5298	0.6714	0.8050	0.8779	0.9212	0.9482
-8	8	0.0000	0.0000	0.0000	0.0000	0.2658	0.4395	0.6083	0.7676	0.8545	0.9061	0.9383
-9	9	0.0000	0.0000	0.0000	0.0000	0.1380	0.3420	0.5401	0.7271	0.8292	0.8898	0.9275
-10	10	0.0000	0.0000	0.0000	0.0000	0.0000	0.2366	0.4665	0.6834	0.8018	0.8721	0.9159
-11	11	0.0000	0.0000	0.0000	0.0000	0.0000	0.1229	0.3870	0.6363	0.7723	0.8531	0.9034
-12	12	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3011	0.5853	0.7404	0.8325	0.8899
-13	13	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2083	0.5303	0.7060	0.8103	0.8753
-14	14	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1082	0.4709	0.6688	0.7862	0.8595
-15	15	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.4067	0.6286	0.7603	0.8424
-16	16	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3373	0.5852	0.7323	0.8240
-17	17	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2625	0.5383	0.7021	0.8041
-18	18	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1816	0.4877	0.6694	0.7827
-19	19	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0943	0.4331	0.6341	0.7595
-20	20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3740	0.5960	0.7344
-21	21	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3103	0.5549	0.7074
-22	22	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2414	0.5105	0.6782
-23	23	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1671	0.4625	0.6466
-24	24	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0867	0.4106	0.6125
-25	25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3547	0.5757
-26	26	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2942	0.5360
-27	27	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2289	0.4931
-28	28	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1584	0.4467
-29	29	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0822	0.3967
-30	30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3426
-31	31	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2842
-32	32	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2211
-33	33	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1530
-34	34	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0794
-35	35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
-36	36	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
-37	37	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
-38	38	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
-39	39	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
-40	40	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Expectancy Life Formula: % Good = $\frac{(1+R)^{SL} - (1+R)^{Age}}{(1+R)^{SL} - 1}$, 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.