

C. REPLACEMENT SCHEDULE FOR CAPITAL ITEMS (Effective October 1, 2016)

1. New Assets:

The following schedule should be used to determine the depreciable/useful life of a new asset. This schedule is not intended to be all inclusive. If the asset is not listed on the schedule, the TA should use one of the following methods to determine the useful life:

1. Generally accepted accounting principles.
2. Independent evaluation.
3. Manufacturer's estimated useful life.
4. IRS Publication 946 (class life).
5. Industry standards.
6. Proven useful life developed at a Federal test facility.

Asset Class:	Description:	Depreciable/Useful Life:
Bus: Small body on van cut-away	Light duty chassis - less than 30 feet	Delivered prior to 1/1/08: 5 years or 150,000 miles. Delivered on or after 1/1/08: Altoona testing
Bus: Medium body on truck chassis/trolleys	Medium duty chassis - less than 30 feet	Delivered prior to 1/1/08: 7 years or 200,000 miles. Delivered on or after 1/1/08: Altoona testing
Bus: Medium body on truck chassis/trolleys	Heavy duty chassis - 30 feet to 34 feet	Delivered prior to 1/1/08: 10 years or 350,000 miles. Delivered on or after 1/1/08: Altoona testing
Bus: Large	Heavy duty chassis - 35 feet to 60 feet	Delivered prior to 1/1/08: 12 years or 500,000 miles. Delivered on or after 1/1/08: Altoona testing
Cars, minivans, standard van, conversion van:	Under 13,000 lbs gross vehicle weight (g.v.w.)	4 years or 100,000 miles
Trucks	Light duty (under 13,000 lbs g.v.w.)	4 years
Trucks	Heavy duty (over 13,000 lbs g.v.w.)	6 years
Office furniture and fixtures	Desks, files, safes	10 years
Office equipment	Copiers, radios (digital/analog, 911, repeater, voice antenna, automatic vehicle locators), fax, phones	5 years

REPLACEMENT SCHEDULE FOR CAPITAL ITEMS (cont.)

Computers and peripheral equipment:	Computers, card readers, card punches, high speed printers, mass storage units, data entry devices	6 years
Software	Costs related to the purchase of the software should be capitalized. Costs of upgrades and enhancements that enable the software to perform tasks that it was previously incapable of performing should be capitalized. Fees paid for training, conversion costs and software maintenance are to be expensed.	3 years
Maintenance tools, equipment	Power/hand tools, lawn mowers, snow blowers	5 years
Maintenance equipment and fixtures	Vehicle hoist/lift (four/six post life, in-ground, drive-on, scissor lift-electric or hydraulic), transmission flush and exchange unit, floor sweeper/scrubber, pressure washer/steam cleaner (hot/cold)/parts cleaner/steamer - upholstery cleaner, portable/vehicle installed generator, brake lathes/milling machines/drill press/grinders, lubrication and fuel dispensing equipment, carbon monoxide detectors/fuel leak detectors, roller cabinets, portable tool stands, compressors, diagnostic equipment, tractors - utility, lawn and attachments (e.g. back blades, snow blowers, mower decks.)	12 years
Passenger bus shelter		10 - 15 years

REPLACEMENT SCHEDULE FOR CAPITAL ITEMS (cont.)

Buildings	Administration, maintenance garages, cold storage building/bus shelter	40 years
Land	Cannot be depreciated	0 years

2. Used Assets:

If a used asset is purchased, the transit agency must determine a useful life based on such factors as: type of construction, nature of the equipment, past usage patterns, age, mileage, and technological developments. The asset class will remain the same as listed above under new assets. Acceptable methods to determine useful life include, but are not limited to:

- a: Transit agency’s independent auditor to recommend a useful life,
- b: Manufacturer’s estimated useful life,
- c: Internal Revenue Service guidelines (IRS Publication 946)
- d: Industry standards.

Note: A replacement request(s) for a used asset(s) will be handled on a case-by-case basis. Contact your MDOT project manager regarding this type of request.