

Travis Central Appraisal District

2009 Business Personal Property Rendition – General Information

Rendition Filing Dates

April 15, 2009 - deadline to file personal property rendition without requesting a 30-day extension.

May 15, 2009 - deadline to file personal property rendition if extension is requested by April 15, 2009.

Exemption Application Filing Date

April 30, 2009 – deadline for filing Mixed-Use Vehicle Exemption, TCEQ Pollution Control Exemption, Freeport Goods Exemption, etc.

Business Owners Reporting Good Faith Estimates of Market Value

The Texas Property Tax Code (Code) requires a business with an aggregate appraised value of \$20,000 or more to render either the Historical Costs and years of acquisition of assets (see Schedule A and Schedule B), or the assets' Good Faith Estimates of market value. Travis Central Appraisal District is mindful of the difficulties occurring in today's economy, and in order to help us understand the basis of an owner's good faith estimates of market value whenever they are being reported, we ask that you also provide the assets' Historical Cost with an attached explanation of how the owner's Good Faith Estimates were arrived at.

Filing a Protest on the Appraised Value

A protest must be filed by the date stated on the Notice of Appraised Value's *Deadline for Filing Protest*. After the Notice's deadline, please contact this office for info on late protests allowed under the Code.

Penalty for Failing to File, or Filing a Late Rendition - Section 22.28 of the Texas Property Tax Code (Code) requires chief appraisers imposing a 10 percent penalty on businesses that fail to timely render their tangible business personal property used for the production of income. The rendition filing deadline for 2009 is April 15th, either hand delivered, fax dated or post marked. The deadline for filing a business personal property rendition may be extended to May 15th if a business owner files a written request not later than April 15th for a filing extension.

Owner Information (page 1 of 6) - If the business has been sold or closed prior to January 1, 2009, report the new owner's name in the upper right hand corner of page 1 of the rendition. Please provide the new owner's mailing address if known. Do not state the business has closed if it only moved to a new location within Travis County.

Correct all spelling and information needing revisions for owner name, mailing address and telephone number in the Owner Name and Address section. Also make the necessary corrections for the business name (DBA) reported at the end of the Legal Description and the business site reported next to Location. Ownership, DBA and Location should reflect the account's January 1, 2009 circumstance.

The Code requires each rendition to be signed (bottom of page 1) by the owner or a person that manages and controls the property as a fiduciary on January 1, 2009. The rendition form does not have to be notarized if filed by the property owner or an employee of the property owner.

Schedule A: Personal Property Other Than Inventory and Supplies (page 3 of 6) - All tangible business personal property assets used for the production of income and owned by the business, other than the inventory and supplies reported in Schedule B, should be reported in Schedule A. Except for businesses having a total market value of less than \$20,000 (see Schedule D general information on the back side of this page), the Code allows taxpayers the option of either (1) rendering original costs and years acquired information of the assets, or (2) rendering good faith estimates of the market value of the assets. If rendering original costs and years acquired data, enter that information in the top section of Schedule A with the total cost for that column's category of assets being placed in the proper year acquired row. Prior year's rendered costs are preprinted in this section to assist the taxpayer. If a change needs to be made in a preprinted cost field, strike through the printed cost and make the revision. The market value appraisals based on this type of rendered information is

calculated using the costs, years of acquisition, and present value factors developed by Travis Central Appraisal District (TCAD). The present value factor table is available to the public upon request.

If a taxpayer chooses instead to use the second option and give good faith estimates of the business personal property market value, those estimations should be reported in the single row of Good Faith Estimates asset category columns located at the bottom of Schedule A. Travis Central Appraisal District prefers original costs and years of acquisition to be rendered for the purpose of equal and uniform appraisals.

Schedule B: Inventory and Supplies (page 4 of 6) – Only the inventory and supplies owned by this business should be reported in Schedule B. All consigned goods, leased departments, scan-based trading inventories, etc. not owned by this business should be reported in Schedule C's Business Personal Property Owned by Others. For Schedule B's property description by type/category column, use the examples given in the explanation at the top of page 4 to report what type of inventory is being reported. Business supplies also must be reported in Schedule B. As in Schedule A, owners have the option of reporting either their good faith estimates of market value or costs by using the appropriate columns. The columns titled Estimate of Quantity of Each Type and Year Acquired are elements of the rendition form due to Code requirements and are not essential to valuing during the rendition process, but may be reported if the owner chooses to do so. A business with considerable aged inventory being reported at cost would best be served by bringing this up during appeals after having protested the account.

Schedule C: Business Personal Property Owned by Others (page 5 of 6) – All business personal property assets used for the production of income by this business, be it inventory, vehicles or furniture, fixtures, machinery, and equipment that is owned by others, must be listed in Schedule C by reporting the other owner's names, mailing addresses and brief descriptions of their business personal property. TCAD will create accounts for these owners and mail each a rendition to file for the appraisal and assessment of property taxes on the business personal property assets they own at this location and in Travis County.

For leased equipment and vehicles, the type of lease will determine whether it should be reported in Schedule A as an asset owned by this business, or in Schedule C as an asset owned by others. By and large, capital leases should be reported in Schedule A and operational leases in Schedule C. A capital lease, sometimes called a lease-purchase, is a financing agreement involving assets that the business owner can depreciate on their income tax returns and has a \$1 buy-out, or a buy-out at something less than the market value of the asset at the end of the lease. An operational lease concerns assets that are normally returned to the lessor at the end of the lease or may be purchased by the lessee for a market value amount normally stipulated in the lease agreement.

Retailers using scan-based trading to manage all or part of their inventories, wherein the retailer's suppliers retain ownership of products on the shelf until they are sold, must list these suppliers in Schedule C if 100 percent of the inventory at this location is not being accounted for in Schedule B.

Schedule D: Personal Property Valued at Less Than \$20,000 (page 6 of 6) – Owners of a business having a total market value of less than \$20,000 need only fill out Schedule D to meet the Code's rendition content requirements, in addition to Schedule C's Business Personal Property Owned by Others. At the owner's option, Schedule A and B may be used instead of Schedule D.

Other Considerations

Be prepared to timely file a protest for this business personal property account if there is a disagreement with the total market value appraisal noted on the 2009 Notice of Appraised Value that will be mailed on or about May 15th until mid-June, depending on when the rendition is received and processed. The deadline for filing the protest will be on that notice. If you have questions or concerns regarding the filing of this rendition, please call (512) 834-9317 extension 5 and you will be connected with the Travis Central Appraisal District's Business Personal Property Division.