

Instructions for Dealer's Inventory Tax Statement

If you are an owner of an inventory subject to Sec 23.12, Tax Code, you must file this dealer's inventory tax statement as required by Sec 23.12.

Filing deadlines: You must file this statement on or before the 10th day of each month. If you were not in business on January 1 of the tax year, you must file this statement each month after your business opens, but you do not include any tax payment until the beginning of the next calendar year. You are presumed to have started business on the date you were issued a dealer's license. The chief appraiser, however, has sole discretion to designate a different starting date. However, if your dealership was the purchaser of an existing dealership and you have a contract with the prior owner to pay the current year dealer inventory taxes owed, then you must notify the chief appraiser and the county tax assessor-collector of this contract and continue to pay the monthly tax payment. Be sure to keep a copy of the statement for your files and a blank copy of the form for each month's filing.

Filing places: You must file the original statement with your monthly tax payment with the county tax assessor-collector. You must file a copy of the original completed statement with the county appraisal district's chief appraiser. The address and phone numbers for both offices are at the top of the form.

Filing penalties: Late filing incurs a penalty of 5 percent of the amount due. If the amount is not paid within 10 days after the due date, the penalty increases for an additional penalty of 5 percent of the amount due. Failure to file this form is a misdemeanor offense punishable by a fine not to exceed \$100. Each day that you fail to comply is a separate offense. In addition, a tax lien attaches to your business personal property to secure the penalty's payment. The district attorney, criminal district attorney, county attorney, collector, or person designated by the collector shall collect the penalty, with action in the county in which you maintain your principal place of business or residence. You also will forfeit a penalty of \$500 for each month or part of a month in which this statement is not filed after it is due.

Annual property tax bill: The county tax assessor-collector will send a tax bill(s) for your dealer inventory, usually in October (DO NOT PAY FROM THAT BILL). The county tax assessor-collector will pay each taxing unit from your escrow account. If your escrow account is not sufficient to pay the taxes owed, the county tax assessor-collector will send you a tax receipt for the partial payment and a new bill for the amount of the deficiency (on or around January 10, 2010). You must pay the balance owed.

Owner information - Enter the corporate, sole proprietorship or partnership's name. Fill in the mailing address and give the business location's telephone number. Enter the name of the person that completed the statement and their title.

Information about the business - Enter the physical address of the business. Enter your business' name (DBA) and the appraisal district account number.

Information on each item sold during the reporting month. Complete the date of sale, model year, make, identification number, purchaser's name, type of sale, sales price and unit property tax for each individual sale. Type of sale, sales price, and unit property tax are defined below.

1 **Type of Sale:** Place one of the following codes by each sale reported:

MV-motor vehicle retail sale - sales of motor vehicles. A motor vehicle is a fully self-propelled vehicle with at least two wheels which has the primary purpose of transporting people or property and includes a towable recreational vehicle. Motor vehicle does not include equipment or machinery designed and intended for a specific work-related purpose other than transporting people or property. This type of sale has a unit property tax value (see below).

VTM-vessel, trailer and outboard motor retail sale - a vessel has the meaning in Sec. 31.003, Parks and Wildlife Code, and does **not** include those more than 65 feet in length (excluding sheer) and canoes, kayaks, punts, rowboats, rubber rafts or other vessels under 14 feet in length when paddled, poled, oared or windblown. An outboard motor has the meaning assigned in Sec. 31.003, Parks and Wildlife Code. A vessel also includes a trailer designed to carry a vessel and is a trailer or a semi-trailer defined by Transportation Code Sec. 501.002. This type of sale has a unit property tax value (see below).

HE-heavy equipment retail sale - heavy equipment means self-propelled, self-powered, or pull-type equipment, including farm equipment or a diesel engine that weights at least 3,000 pounds and is intended to be used for agricultural, construction, industrial, marine, mining, or forestry uses. The term includes items that are leased or rented but subject to a purchase option by the lessee or renter. The term does not include any heavy equipment that is required to be titled under Chapter 501 or registered under Chapter 502 Transportation Code. This type of sale has a unit property tax value (see below).

MH-manufactured housing retail sale - a "manufactured home" and "manufactured housing" have the meaning assigned those terms by the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Statutes). "Manufactured housing" or "manufactured home" means a HUD-code manufactured home or mobile home and collectively means and refers to both. This type of sale has a unit property tax value (see below).

FL-fleet sales - five or more inventory sales to the same buyer within the same calendar year (not applicable for Manufactured Housing). This type of sale does **not** have a unit property tax value.

DL-dealer sales - sales to another dealer (wholesale transaction; for example, vehicle dealer to vehicle dealer, etc). This type of sale does **not** have a unit property tax value.

SS-subsequent sales - only applies to dealer-financed sales of inventory that has previously been sold in this same calendar year with dealer financing. The first dealer-financed sale of inventory is coded as one of the types above (**MV, VTM, HE, MH**). Any additional dealer-financed sale of this same item within the same year should be coded as a subsequent sale. This type of sale does **not** have a unit property tax value.

2 **Sales Price:** The price paid or to be paid to a dealer for the purchase of inventory (the contract sales price). For example, the price set forth on the Application for Certificate of Title, or the price that would appear if those or similar forms were used. (Manufactured housing dealers exclude the price of installation.)

3 **Unit Property Tax:** To compute, multiply the sales price by the unit property tax factor given. For fleet, dealer and subsequent sales, the unit property tax is \$-0-. The unit property tax factor is the county aggregate tax rate divided by 12 and then by \$100. If you don't know your unit property tax factor, contact the county tax assessor-collector.

4 **Total Unit Property Tax for This Month:** Enter only on last page of monthly statement.

Total sales - Provide breakdown of the total number of units and the total sales amounts for each sale type on the last page. MV, VTM, HE, MH are reported as Net Dealer Inventory.

Sign the form - Sign and enter the date if you are the person completing this statement