



TRAVIS CENTRAL APPRAISAL DISTRICT

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**APPLICATION FOR EXEMPTION OF
GOODS EXPORTED FROM TEXAS
FREEPORT EXEMPTION
FOR**

Instructions: This exemption applies to items in your inventory on January 1 that (1) are or will be forwarded out of Texas within 175 days of the date you acquire them or bring them to Texas and (2) are in Texas for assembling, storing, manufacturing, repair, maintenance, processing, or fabrication purposes. The exemption does not apply to oil, to natural gas, or to liquid gases that are immediate derivatives of refining oil or natural gas. The amount of the goods in transit exemption for this year is normally based on the percentage of your inventory made up of such goods last year. This application covers property you owned on January 1 of this year (or September 1 of the preceding year if you receive September 1 inventory appraisal). **You must file the completed form between January 1 and no later than April 30 of this year.** You may file a late application up to midnight the day before the appraisal review board approves the appraisal records for the year. Approval usually occurs in July. **If you file a late application and your application is approved, you must pay a penalty equal to 10% of the tax savings resulting from the freeport exemption.** Be sure to attach any additional documents requested. You must apply for the exemption in each year you claim entitlement.

| | | |
|---|---------------------------|------------------------------|
| Step 1: Owner's Name and Address | Owner's name and DBA: | |
| | Current mailing address | |
| | City, state, and ZIP Code | Phone (area code and number) |

| | |
|--|---|
| Step 2: Describe The Property | Appraisal district account number: _____ (give the appraisal roll account number if available or attach tax bill or copy of appraisal or tax office correspondence concerning this account: if unavailable, give the street address at which the property is |
| | Location of inventory (street address, city, ZIP Code) |
| | Give a general description of the types of items in this inventory _____ _____ _____ <i>(continue on additional page if needed)</i> |

| | |
|---|---|
| Step 3: Answer These Questions About Your Property | For the purposes of this application, "inventory" means your inventory of finished goods, supplies, raw materials, and work in process. |
| | Will you transport portions of this inventory out of the state this year? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | Did you engage in transporting portions of your inventory out of this state throughout last year? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, give the months during which you engaged in transporting portions of your inventory out of the state last year. _____ |

**Step 3:
Continued**

1. Give the total cost of goods sold for the entire calendar year ending December 31,

\$ _____

2. Give the total cost of goods sold that were shipped out of Texas within 175 days of the date you acquired them in or brought them into Texas last year, less the cost of any goods, raw materials, or supplies incorporated into them that were not eligible for the freeport exemption or were in Texas more than 175 days.

\$ _____

3. On what types of records do you base the amounts given above? (check as many as apply)

- | | |
|---|---|
| <input type="checkbox"/> Audited financial statements | <input type="checkbox"/> Sales records |
| <input type="checkbox"/> Internal Reports | <input type="checkbox"/> Bills of lading |
| <input type="checkbox"/> Texas franchise tax reports | <input type="checkbox"/> Other (describe) _____ |

4. Percentage of last year's eligible inventory value represented by freeport goods (divide box 2 by box 1)

_____ %

5. Will the percentage of goods you transport out of Texas this year be significantly different than the percentage you transported out last year?

Yes No

6. If yes, why?

7. What was the 100% cost of your inventory on January 1 of this year (or September 1 of last year, if you qualified for September 1 inventory appraisal) ?

\$ _____

8. What was the market value of your inventory on January 1 of this year (or September 1 of last year, if you qualified for September 1 inventory appraisal) ? ***If market value is different from the 100% cost entered in box 7 please provide documentation detailing the difference.***

\$ _____ (If LIFO, include reserve)

Circle inventory method: LIFO (reserve \$ _____), FIFO, Other _____

9. What is the value of the inventory you claim will be exempt this year?

\$ _____

**Step 4:
Sign The
Form**

The chief appraiser may require additional information before granting this exemption. If so, you must provide these property records within 30 days of that request or before the date the appraisal records are approved under Section 41.12, whichever is later, or forfeit the right to the exemption.

I certify that the information in this document and all attachments is true and correct to the best of my knowledge and belief.

Signature

Title

Print Name

Date

If AGENT prepared, State Registration number is:

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10

Business Name _____

TCAD Account Number _____

Travis Central Appraisal District Freeport Exemption Worksheet

1. Inventory Turn Calculation:

(A) Enter the **total cost of goods sold and / or forwarded from this location** during the previous calendar year: = \$ _____ (1.A)

(B) Enter the **month-ending inventory cost** for each month of the previous calendar year:

| | | | |
|--------------|--------------|--------------|--------------|
| JAN \$ _____ | APR \$ _____ | JUL \$ _____ | OCT \$ _____ |
| FEB \$ _____ | MAY \$ _____ | AUG \$ _____ | NOV \$ _____ |
| MAR \$ _____ | JUN \$ _____ | SEP \$ _____ | DEC \$ _____ |

(C) Sum of January through December month-ending inventory costs: = \$ _____ (1.C)

(D) Average annual inventory calculation:

\$ _____ (1.C) divided by 12 (or # of months at [1.B] above) = \$ _____ (1.D)

(E) Inventory turns:

\$ _____ (1.A) divided by \$ _____ (1.D) = _____ turns (1.E)

365 days divided by _____ turns (1.E) = _____ **days (1)**

IF ITEM (1) IS GREATER THAN 175, THE EXEMPTION CANNOT BE GRANTED

2. Enter the **cost of goods sold and / or forwarded from this location** to a destination outside of Texas during the previous calendar year within 175 days of the date they were acquired within or brought into Texas, less the cost of any goods, raw materials, or supplies incorporated into them that were not eligible for the Freeport exemption or were in Texas more than 175 days: = \$ _____ (2)

3. Exemption percentage calculation:
\$ _____ (2) divided by \$ _____ (1.A) = _____ % (3)

4. January 1st inventory cost (or September 1st of last year, if applicable): = \$ _____ (4)

5. EXEMPT INVENTORY CALCULATION:

\$ _____ (4) multiplied by _____ % (3) = \$ _____ (5)
EXEMPT INVENTORY