

TRAVIS CENTRAL APPRAISAL DISTRICT

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Dear Applicant:

Attached is the Freeport exemption application forms package. Section 11.43 of the Texas Property Tax Code states that a person required to apply for this exemption must apply each year the person claims entitlement to the exemption. Please note that property which receives an exemption from taxation as Goods-In-Transit is not eligible to also receive an exemption from taxation as Freeport goods.

Please complete and return the exemption application (Form 50-113), the enclosed Freeport Exemption Worksheet, and copies of the original records and source documents for this specific Travis County location. These records and documents may include, but are not limited to: balance sheets, income statements, inventory controls, audit reports, bills of lading, and any other source document used. If the requested information is not provided at the time of application, exemption approval may be **delayed** or **denied**.

To avoid a late-approval penalty, the completed exemption application must be filed with the Travis Central Appraisal District no later than **April 30th**. A late application must be filed not later than **June 15th** for the year for which the exemption is requested. Pursuant to Tax Code Section 11.4391, if a late application is approved, the property owner is liable to each taxing unit for a penalty equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the inventory or property, a portion of which consists of freeport goods, and the amount that would otherwise have been imposed.

Should you have any questions regarding this matter, please email the Business Personal Property at bpp@tcadcentral.org.

Sincerely,

Business Personal Property Department

Application for Exemption of Goods Exported from Texas (Freeport Exemption)

Appraisal District's Name

Phone (area code and number)

Address, City, State, ZIP Code

GENERAL INSTRUCTIONS: This application is for use in claiming a property tax exemption for freeport goods pursuant to Texas Constitution Article 8, Section 1-j and Tax Code Section 11.251. The amount of the exemption for this year is normally based on the percentage of inventory made up by such goods last year.

The exemption applies to items in inventory that:

- are or will be forwarded out of Texas within 175 days of the date you acquire them or bring them into Texas; and
- are in Texas for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes.

For aircraft parts, the governing body of a taxing unit may, by official action, extend the deadline by which freeport goods must be transported outside of the state to no more than 730 days after acquiring or importing the property into the state.

This exemption does not apply to oil, natural gas or liquid or gaseous materials that are immediate derivatives of the refining of oil or natural gas as defined by Comptroller Rule 9.4201.

FILING INSTRUCTIONS: This form and all supporting documentation must be filed with the appraisal district office in each county in which the property is taxable so that the chief appraiser is able to determine whether the statutory qualifications for the exemption have been met. Do not file this document with the Texas Comptroller of Public Accounts. A directory with contact information for appraisal district offices may be found on the Comptroller's website.

APPLICATION DEADLINES: The completed application and supporting documents must be submitted to the appraisal district between Jan. 1 and April 30 of the tax year for which you request the exemption. For good cause shown, the chief appraiser may extend the deadline for filing the application by written order for a single period not to exceed 60 days. The chief appraiser may disapprove the application and request additional information. If the chief appraiser requests additional information, the information must be furnished within 30 days after the date of the request or the application is denied. For good cause shown, the chief appraiser may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days. If the chief appraiser denies the application, that determination may be protested to the county appraisal review board under Tax Code Chapter 41.

A late application must be filed not later than June 15 for the year for which the exemption is requested. Pursuant to Tax Code Section 11.4391, if a late application is approved, the property owner is liable to each taxing unit for a penalty equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the inventory or property, a portion of which consists of freeport goods, and the amount that would otherwise have been imposed.

ANNUAL APPLICATION REQUIRED: This exemption requires an application each year the exemption is claimed.

State the tax year for which you are applying for the exemption.

Tax Year

Did the applicant own the property that is the subject of this application on Jan. 1 of the tax year? Yes No

SECTION 1: Property Owner/Applicant

The applicant is the following type of property owner:

Individual Partnership Corporation Other (specify): _____

Name of Property Owner

Driver's License, Personal I.D. Certificate
Social Security Number or Federal Tax I.D. Number*

Physical Address, City, State, ZIP Code

Primary Phone Number (area code and number)

Email Address**

Mailing Address of Property Owner (if different from the physical address provided above):

Mailing Address, City, State, ZIP Code

SECTION 2: Authorized Representative

If you are an individual property owner filing this application on your own behalf, skip to section 3; all other applicants are required to complete section 2.

Please indicate the basis for your authority to represent the property owner in filing this application:

Officer of the company General Partner of the company Attorney for property owner

Agent for tax matters appointed under Tax Code Section 1.111 with completed and signed Form 50-162

Other and explain basis:

Provide the following information for the individual with the legal authority to act for the property owner in this matter:

Name of Authorized Representative Driver's License, Personal I.D. Certificate or Social Security Number*

Title of Authorized Representative Primary Phone Number (area code and number) Email Address**

Mailing Address, City, State, ZIP Code

SECTION 3: Property Information

Provide the following information regarding the location of inventory.

Address, City, State, ZIP Code

Legal Description (if known) Appraisal District Account Number (if known)

SECTION 4: Questions About Your Property

- 1. Will portions of this inventory be transported out of state this year?
2. Have you applied for Sept. 1 inventory appraisal?
3. Were portions of your inventory transported out of this state throughout last year?

If no, because inventory was transported only part of year, give the months during which portions of your inventory were transported out of the state last year.

4. Total cost of goods sold for the entire year ending Dec. 31, \$

5. Total cost of goods sold that were shipped out of Texas within the applicable time frame after acquisition or being brought 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 for more than the applicable number of days \$

6. On what types of records do you base the amounts given above? (Check all that apply.)
Audited financial statement Sales records Internal reports
Bills of lading Texas franchise tax reports Other (describe)

7. Percentage of last year's value represented by freeport goods (line 5 divided by line 4) %

8. Will the percentage of goods transported out of Texas this year be significantly different than the percentage transported out last year? Yes No

If yes, why?

9. What was the market value of your inventory on Jan. 1 of this year, or Sept. 1 of last year if qualified for Sept. 1 inventory appraisal?..... \$ _____

10. What is the value of the inventory you claim will be exempt this year? \$ _____

SECTION 5: Additional Documents to be Provided

You are required to attach to this application a description of the types of items in the inventory.

SECTION 6: Certification and Signature

NOTICE REGARDING PENALTIES FOR MAKING OR FILING AN APPLICATION CONTAINING A FALSE STATEMENT: If you make a false statement on this form, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code Section 37.10.

_____, swear or affirm the following:
Printed Name of Property Owner or Authorized Representative

- 1. that each fact contained in this application is true and correct;
- 2. that the property described in this application meets the qualifications under Texas law for the exemption claimed; and
- 3. that I have read and understand the *Notice Regarding Penalties for Making or Filing an Application Containing a False Statement*.

sign here ➔

Signature of Property Owner or Authorized Representative

Date

* If the property owner is a company or other legal entity (not an individual), the Federal Tax I.D. Number is to be provided. Disclosure of your social security number (SSN) may be required and is authorized by law for the purpose of tax administration and identification of any individual affected by applicable law. Authority: 42 U.S.C. § 405(c)(2)(C)(i); Tax Code Section 11.43(f). Except as authorized by Tax Code Section 11.48(b), a driver's license number, personal identification certificate number, or social security number provided in this application for an exemption filed with your county appraisal district is confidential and not open to public inspection under Tax Code Section 11.48(a).

** An email address of a member of the public could be confidential under Government Code Section 552.137; however, by including the email address on this form, you are affirmatively consenting to its release under the Public Information Act.

Business Name:

TCAD Account Number:

Travis Central Appraisal District

Freeport Exemption Application 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 1, inventory cost (or September 1, inventory cost if an application was filed not later than July 31, electing to have the inventory appraised at its market value as of September 1 of each year after a timely application has been filed.) \$ _____ (4)

5. EXEMPT INVENTORY CALCULATION:

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