



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

## Property Tax Form 50-113

YEAR \_\_\_\_\_

Appraisal district's name \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Address \_\_\_\_\_

**INSTRUCTIONS:** This exemption applies to "freeport goods" as governed by Texas Constitution, Article VIII, Section 1-j and Tax Code, Section 11.251. The exemption applies to items in your inventory that (1) are or will be forwarded out of Texas within 175 days of the date you acquire them or bring them into Texas and (2) are in Texas for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes. The exemption does not apply to oil, natural gas, or liquid or gaseous materials that are immediate derivatives of refining of oil or natural gas. The phrase "liquid or gaseous materials that are the immediate derivatives of the refining of oil or natural gas" is defined in Comptroller Rule 9.4201. The amount of the exemption for this year is normally based on the percentage of your inventory made up by such goods last year.

You must file the completed exemption application form between January 1 and no later than April 30 of the year for which you are requesting an exemption. You must furnish all information required by the application. You may file a late application up to midnight the day before the appraisal review board approves the appraisal records for the year for which you are requesting an exemption. Pursuant to Tax Code, §11.4391, if you do file a late application and your application is approved, you are 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.

You must apply for the exemption in each year you claim an exemption.

### STEP 1: Owner's name and address

Owner's Name \_\_\_\_\_

Current mailing address \_\_\_\_\_

City, state, ZIP code \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Name of person preparing this application \_\_\_\_\_

Driver's License, Personal ID Certificate, or Social Security Number\* \_\_\_\_\_

Birth Date\*\* \_\_\_\_\_

### STEP 2: Authorized agent's name

Authorized agent's name (if different for above) \_\_\_\_\_

Mailing address \_\_\_\_\_

City, state, ZIP code \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

### STEP 3: Describe the property

Appraisal district account number (Give 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 located.) \_\_\_\_\_

Location of inventory (street address, city, ZIP Code) \_\_\_\_\_

Give a general description of the types of items in this inventory. (use additional sheets if necessary) \_\_\_\_\_

**STEP 4: 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 progress.

Will portions of this inventory be transported out of state this year?  Yes  No

Have you applied for appraisal of your inventory on September 1?  Yes  No

Were portions of your inventory transported out of this state throughout last year?  Yes  No

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

1. Give the total cost of goods sold for the entire 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 statement | <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 value represented by freeport goods (divide 2 by 1). \_\_\_\_\_ %

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

6. If "Yes," why? \_\_\_\_\_

7. What was the market value of your inventory on January 1 of this year (or September 1 of last year, if you have qualified for September 1 inventory appraisal)? \_\_\_\_\_ \$ \_\_\_\_\_

8. What is the value of the inventory you claim will be exempt this year. \_\_\_\_\_ \$ \_\_\_\_\_

**STEP 5: Sign the form**

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

**sign here**  \_\_\_\_\_ Date \_\_\_\_\_  
Authorized signature

Title \_\_\_\_\_

**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.**

\* You are required to give us this information on this form, in order to perform tax related functions for this office. Section 11.43 of the Tax Code authorizes this office to request this information to determine tax compliance. The chief appraiser is required to keep the information confidential and not open to public inspection, except to appraisal office employees who appraise property and as authorized by Section 11.48(b), Tax Code.

**OTHER IMPORTANT INFORMATION**

Pursuant to Tax Code, §11.45, the chief appraiser may request additional information from you. You must provide the additional information within 30 days of the request or the application is denied. The chief appraiser, for good cause shown, may extend the deadline for furnishing the additional information by written order for a single period not to exceed 15 days.