



# Collin Central Appraisal District

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## FREEPORT EXEMPTION APPLICATION INFORMATION

Enclosed is the current tax year's Freeport Exemption Application. Under Section 11.43 of the Texas Property Tax Code, a person must file an exemption application form between January 1 and **April 30** and furnish the information required by the form **each** year the person claims entitlement to the exemption.

This 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; (2) are in Texas for assembling, storing, manufacturing, repair, maintenance, processing, or fabricating purposes. The exemption does not apply to oil, natural gas, or liquids or gases that are immediate derivatives of refining oil or natural gas.

To avoid delays in processing the application, please include copies of all original records used to complete the application. This includes: financial statements (year ending income statements, balance sheets, and trial balance sheets for the previous calendar year); inventory controls; any other internally prepared reports denoting the source of the information. Summarizations will be accepted only with original supporting documentation. All reports should pertain to this business location in Collin County only. Below is a list of the requested information:

1. Total Cost of Goods Sold or transported during the preceding calendar year (as shown on the year ending income statement).
2. Total Cost of Goods Sold or transported out of Texas during the preceding calendar year (summarized by state and/or country).
3. Monthly ending inventory value at cost for each calendar month of the preceding calendar year (Monthly Inventory Control Report).
4. Inventory value at cost on January 1 of this year (or September 1 of last year, if applicable). Inventory is to be reported on a **FIFO** basis.
5. Year ending income statement and balance sheet.

The enclosed affidavit should accompany all documents and must be signed by an owner or officer of the company.

The exemption application will not be approved if the property owner fails to submit the required information. If the required information is not received in a timely manner, the property owner may be subject to a late penalty or forfeit the right to claim or receive the exemption for this year. Your cooperation in providing these documents with the exemption application will help expedite the application process.

**Note: The rendition extension does not apply to the Freeport Exemption application.**

Should you have any questions, please contact Brad Richards, BPP Appraisal Manager, at (469) 742-9340 or by email at [brad.richards@cadcollin.org](mailto:brad.richards@cadcollin.org).



# Collin Central Appraisal District

## FREEPORT EXEMPTION WORKSHEET

DBA \_\_\_\_\_

Account Number \_\_\_\_\_

### Important Information:

- All data furnished from Accounting Records must be for the preceding calendar year.
- Items 1a, 1b, 2 & 4 must be proven by copies of Accounting records.
- Items 1a, 2, 3, 4 & 5 must be entered on the application.
- Please attach a copy of this worksheet to your documentation.

### 1. Inventory Turns Calculation:

1a. Annual Cost of Goods (**cannot be sales**) sold during preceding calendar year for this business location in Collin County: \_\_\_\_\_ (A)

1b. Enter month ending Inventory for each calendar month (omit cents) for this business location in Collin County:

|           |           |           |           |
|-----------|-----------|-----------|-----------|
| Jan _____ | Apr _____ | Jul _____ | Oct _____ |
| Feb _____ | May _____ | Aug _____ | Nov _____ |
| Mar _____ | Jun _____ | Sep _____ | Dec _____ |

1c. Sum of January through December month ending Inventories: = \_\_\_\_\_ (C)

1d. Average Annual Inventory Calculation:

\_\_\_\_\_ (C) divided by 12 months = \_\_\_\_\_ (D)

1e. Inventory Turns:

\_\_\_\_\_ (A) divided by \_\_\_\_\_ (D) = \_\_\_\_\_ (E)

365 days divided by \_\_\_\_\_ (E) =  days (F)

**Note: Item (F) must be within 175 days to qualify for the Freeport Exemption.**

2. Enter total Cost of Goods (**cannot be sales**) shipped out of Texas from this business location in Collin County: = \_\_\_\_\_ (2)

3. Freeport Percentage Calculation:

\_\_\_\_\_ (2) divided by \_\_\_\_\_ (A) = \_\_\_\_\_ (3)

4. Enter January 1 Inventory Cost (or September 1 of last year, if applicable) for this business location in Collin County: = \_\_\_\_\_ (4)

5. Freeport Inventory Calculation:

\_\_\_\_\_ (4) multiplied by \_\_\_\_\_ (3) =  Exempt Inventory (5)



# Collin Central Appraisal District

## FREEPORT EXEMPTION DOCUMENTATION AFFIDAVIT

I certify pursuant to the provisions of Section 37.01 and Section 37.10 of the Texas Penal Code that the following document(s), consisting of \_\_\_\_\_ pages and described as \_\_\_\_\_, are a complete, true and accurate reflection of the official books and records of this company as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

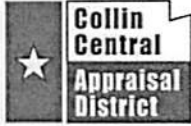
\_\_\_\_\_  
Company Name

SUBSCRIBED AND SWORN before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Type or Print Name

My commission expires \_\_\_\_\_  
Date



# Collin Central Appraisal District

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## *Entities Granting "Freeport Goods" Exemption*

| <u>Entity Code</u> | <u>Entity Name</u>  |
|--------------------|---------------------|
| CAL                | Allen City          |
| SAL                | Allen ISD           |
| CAN                | Anna City           |
| CCR                | Carrollton City     |
| JCN                | Collin College      |
| GCN                | Collin County       |
| CDA                | Dallas City         |
| CFC                | Farmersville City   |
| CFR                | Frisco City         |
| SFR                | Frisco ISD          |
| CGA                | Garland City        |
| CJO                | Josephine City      |
| CLC                | Lowry Crossing City |
| CMC                | McKinney City       |
| SMC                | McKinney ISD        |
| CML                | Melissa City        |
| CMR                | Murphy City         |
| CNV                | Nevada City         |
| CNH                | New Hope Town       |
| CPK                | Parker City         |
| CPL                | Plano City          |
| SPL                | Plano ISD           |
| CPN                | Princeton City      |
| SPN                | Princeton ISD       |
| SPR                | Prosper ISD         |
| CPR                | Prosper Town        |
| SRW                | Rockwall ISD        |
| SRY                | Royse City ISD      |
| CSP                | St. Paul Town       |
| CVA                | Van Alstyne City    |
| SVA                | Van Alstyne ISD     |
| CWS                | Weston City         |
| SWY                | Wylie ISD           |



# Collin Central Appraisal District

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## *Entities Granting "Goods-In-Transit" Exemption*

| <u>Entity Code</u> | <u>Entity Name</u>      |
|--------------------|-------------------------|
| JCN                | Collin College          |
| CFC                | Farmersville City       |
| CJO                | Josephine City          |
| CLA                | Lavon City              |
| CMC                | McKinney City           |
| CMR                | Murphy City             |
| CNV                | Nevada City             |
| CNH                | New Hope Town           |
| CPK                | Parker City             |
| SPN                | Princeton ISD           |
| SPR                | Prosper ISD             |
| WSE                | Seis Lagos Utility Dist |
| CSP                | St. Paul Town           |
| SVA                | Van Alstyne ISD         |



Glenn Hegar  
Texas Comptroller of Public Accounts



Economic Development

## The Freeport and Goods in Transit Exemptions

### Sections 11.251, 11.437 and 11.253, Tax Code and Article 8, Sec. 1-j of the Texas Constitution

Section 11.251 of the Tax Code provides for a freeport exemption applying to goods, wares, ores and merchandise other than oil, gas and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas) and to aircraft or repair parts used by a certificated air carrier. The freeport goods qualify if they leave Texas within 175 days from the date they are brought into or acquired in the state.

However, for cotton stored in a warehouse to qualify for the freeport exemption, Section 11.437 provides that the warehouse operator may file a one-time application for the exemption. Property qualifies as freeport goods whether or not the person who transports it out of the state was the person who owned the property on Jan. 1. Taxing units may elect to tax the goods notwithstanding the above.

View Application Form 50-113 [[comptroller.texas.gov/forms/50-113.pdf](http://comptroller.texas.gov/forms/50-113.pdf)]

Section 11.253 provides an exemption for "goods in transit", described as goods acquired inside or outside the state, detained at a facility in which the owner of the goods has no direct or indirect ownership of the facility, detained for storing purposes by the person who acquired or imported the property, and then shipped to another location in or out of this state within 175 days. The goods do not include oil, gas or petroleum products or special inventories such as motor vehicles or boats in a dealer's retail inventory. Taxing units may elect to tax the goods notwithstanding the above.

View Application Form 50-758 [[comptroller.texas.gov/forms/50-758.pdf](http://comptroller.texas.gov/forms/50-758.pdf)]

### Need Help?

For additional information, contact the Data Analysis and Transparency Division

[[comptroller.texas.gov/economy/contact.php](http://comptroller.texas.gov/economy/contact.php)] via email [<mailto:econ.dev@cpa.texas.gov>] or at 800-531-5441, ext. 3-4679, or 512-463-4679.

**COLLIN CENTRAL APPRAISAL DISTRICT  
FREEPORT EXEMPTION APPLICATION INFORMATION**

Enclosed is the current tax year's Freeport Exemption Application. Under Section 11.43 of the Texas Property Tax Code, a person must file an exemption application form between January 1 and **April 30** and furnish the information required by the form each year the person claims entitlement to the exemption.

This 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; (2) are in Texas for assembling, storing, manufacturing, repair, maintenance, processing, or fabricating purposes. The exemption does not apply to oil, natural gas, or liquids or gases that are immediate derivatives of refining oil or natural gas.

To avoid delays in processing the application, please include copies of all original records used to complete the application. This includes: financial statements (year ending income statements, balance sheets, and trial balance sheets for the previous calendar year); inventory controls; any other internally prepared reports denoting the source of the information. Summarizations will be accepted only with original supporting documentation. All reports should pertain to this business location in Collin County only. Below is a list of the requested information:

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3. Monthly ending inventory value at cost for each calendar month of the preceding calendar year (Monthly Inventory Control Report).
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The enclosed affidavit should accompany all documents and must be signed by an owner or officer of the company.

The exemption application will not be approved if the property owner fails to submit the required information. If the required information is not received in a timely manner, the property owner may be subject to a late penalty or forfeit the right to claim or receive the exemption for this year. Your cooperation in providing these documents with the exemption application will help expedite the application process.

**Note: The rendition extension does not apply to the Freeport Exemption application.**

Should you have any questions, please contact Brad Richards, BPP Appraisal Director, at (469) 742-9340 or by email at [brad.richards@cadcollin.org](mailto:brad.richards@cadcollin.org).



# FREPORT EXEMPTION WORKSHEET

DBA Name \_\_\_\_\_

Account# \_\_\_\_\_

### Instructions:

- ✓ All data furnished from accounting records must be for preceding calendar year.
- ✓ Items 1a, 2, 3, 4, & 5 must be entered on the exemption application.
- ✓ Copies of accounting records must be provided for items 1a, 1b, 2, & 4.
- ✓ Attach a copy of this worksheet to your supporting documentation and exemption application.

### 1. Inventory Turns Calculation:

a. Annual Cost of Goods sold (not sale prices) during the preceding calendar year for this business location in Collin County. \_\_\_\_\_ (A)

b. Enter the month ending inventory (omit cents) for each calendar month for this business location.

|           |           |            |
|-----------|-----------|------------|
| Jan _____ | Feb _____ | Mar _____  |
| Apr _____ | May _____ | Jun _____  |
| Jul _____ | Aug _____ | Sept _____ |
| Oct _____ | Nov _____ | Dec _____  |

c. Sum of January through December month ending inventories: = \_\_\_\_\_ (C)

d. Average Annual Inventory Calculation:

\_\_\_\_\_ ÷ 12 months = \_\_\_\_\_ (D)  
(C)

e. Inventory Turns:

\_\_\_\_\_ ÷ \_\_\_\_\_ = \_\_\_\_\_ (E)  
(A) (D)

365 Days ÷ \_\_\_\_\_ = \_\_\_\_\_ Days (F)\*  
(E)

*\*Item (F) must be within 175 days to qualify for the Freeport Exemption*

2. Total Cost of Goods (not sales) shipped out of Texas from this business location. = \_\_\_\_\_ (2)

3. Freeport Percentage Calculation:

\_\_\_\_\_ ÷ \_\_\_\_\_ = \_\_\_\_\_ %  
(2) (A) (3)

4. January 1<sup>st</sup> Inventory Cost (or Sept 1<sup>st</sup> of last year, if applicable) for this location. = \_\_\_\_\_ (4)

5. Freeport Inventory Calculations:

\_\_\_\_\_ X \_\_\_\_\_ % = \_\_\_\_\_ (5) Exempt Inventory  
(4) (3)



**COLLIN CENTRAL APPRAISAL DISTRICT  
FREEPORT EXEMPTION DOCUMENTATION AFFIDAVIT**

I certify pursuant to the provisions of Section 37.01 and Section 37.10 of the Texas Penal Code that the following document(s), consisting of \_\_\_\_\_ pages and described as \_\_\_\_\_, are a complete, true and accurate reflection of the official books and records of this company as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company Name

SUBSCRIBED AND SWORN before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Type or Print Name

My commission expires \_\_\_\_\_  
Date



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

Property Tax  
**Form 50-113**

COLLIN CENTRAL APPRAISAL DISTRICT

469.742.9200

Appraisal District's Name

Phone (area code and number)

250 ELDORADO PKWY, MCKINNEY TX 75069

Address, City, State, ZIP Code

**GENERAL 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.

**APPLICATION DEADLINES:** 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.

**ANNUAL APPLICATION REQUIRED:** You must apply for this exemption each year you claim entitlement to the exemption.

### OTHER IMPORTANT INFORMATION

Pursuant to Tax Code §11.45, after considering this application and all relevant information, 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. For good cause shown, the chief appraiser may extend the deadline for furnishing the additional information by written order for a single period not to exceed 15 days.

### STEP 1: State the Year for Which You are Seeking an Exemption

State the year for which you are seeking an exemption

### STEP 2: Provide Name and Mailing Address of Property Owner and Identity of Person Preparing Application

Name of Property Owner

Mailing Address

City, State, ZIP Code

Phone (area code and number)

Property Owner is a(n) (check one):

Individual    Partnership    Corporation    Other (specify): \_\_\_\_\_

Name of Person Preparing this Application

Title

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

If this application is for an exemption from ad valorem taxation of property owned by a charitable organization with a federal tax identification number, that number may be provided here in lieu of a driver's license number, personal identification certificate number, or social security number: .....

\* Unless the applicant is a charitable organization with a federal tax identification number, the applicant's driver's license number, personal identification certificate number, or social security account number is required. Pursuant to Tax Code Section 11.48(a), a driver's license number, personal identification certificate number, or social security account number provided in an application for an exemption filed with a chief appraiser is confidential and not open to public inspection. The information may not be disclosed to anyone other than an employee of the appraisal office who appraises property, except as authorized by Tax Code Section 11.48(b). If the applicant is a charitable organization with a federal tax identification number, the applicant may provide the organization's federal tax identification number in lieu of a driver's license number, personal identification certificate number, or social security account number.



Application for Exemption of Goods Exported from Texas

STEP 3: Authorized Agent's Name

Authorized Agent's Name (if different for above)

Mailing Address

City, State, ZIP Code Phone (area code and number)

STEP 4: Describe the Property for Which You are Seeking an Exemption

Appraisal District Account Number (if known) (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 5: 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?
Have you applied for appraisal of your inventory on September 1?
Were portions of your inventory transported out of this state throughout last year?

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.)
Audited financial statement Sales records Internal reports
Bills of lading Texas franchise tax reports 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 6: Read, Sign, and Date

By signing this application, you certify that the information provided in this application and all attachments is true and correct to the best of your knowledge and belief.



Authorized Signature Date

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 Section 37.10, Penal Code.

For more information, visit our Web site: www.window.state.tx.us/taxinfo/proptax