Harris County Appraisal District
Business Industrial Property Division
P. O. Box 922005
Houston, TX 77292-2005

Form **21.09-Vessels (03/26)**

Application for Interstate Allocation of Value for Vessels or Other Watercraft

Account Number	Tax Year

STEP 1: Property Owner Information

Name of Property Owner	Phone (area code and number)
Mailing Address	City, State, ZIP Code

STEP 2: Property Information

Description	Vessel Name	Hull Number	Official Numb	Total Use in Prior Year (miles or days)	Texas Use in Prior Year (miles or days)

Continue on additional sheets if needed

STEP 3: Applicant Information **Please indicate if you are completing this form as:** ☐ **Authorized Agent** ☐ **Fiduciary**

Name of Authorized Agent or Fiduciary, if applicable	Phone (area code and number)
Mailing Address	City, State, ZIP Code

Are you the property owner, an employee of the property owner, or an employee of a property owner on behalf of an affiliated entity of the property owne ☐ Yes ☐ No

This form must be signed and dated. By signing this document, you attest that the information contained on it is true and correct to the best of your knowledge and belief. If you checked "Yes" above, sign and date on the first signature line belo . No notarization is required.

Printed Name _____ Signature _____ Date _____

If you checked "No" above, you must complete the following. I swear that the information provided on this form is true and correct to the best of my knowledge and belief.

Printed Name _____ Signature _____ Date _____

Subscribed and sworn before me this _____ day of _____, 20____ . Notary Public, State of Texas _____

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 Penal Code Section 37.10.

Instructions for Application for Interstate Allocation of Value for Vessels or Other Watercraft

General Instructions: This form is for use in claiming an allocation of value for vessels and other watercraft used outside of Texas, according to Tax Code Sections 21.031 and 21.09(a) and as required by Comptroller Rule 9.4033(b)(2). Form 21.09 is for use in claiming an allocation of value for property having taxable situs in Texas and subject to the provisions of Tax Code Sections 21.03 (interstate allocation), 21.05 (commercial aircraft), or 21.055 (business aircraft), according to Tax Code Section 21.09(a).

Special Instructions: Determine what type of vessel or other watercraft describes your property: (a) one used as an instrumentality of commerce, as defined by Tax Code Section 21.03(b)(1) , for which the number of miles that the property was operated within the state during the preceding year and the total number of miles must be determined; or (b) a special purpose vessel not used as an instrumentality of commerce, as defined i Tax Code Section 21.031(b)(2), for which the number of days the vessel was physically located within this state during the preceding year must be determined. Provide a description for each vessel or other watercraft and provide information according to miles or days as described above, depending on the type of vessel or other watercraft, in Step 2.

Rendition of value: The filing of a rendition of value under Tax Code Chapter 22 is not a condition of qualification for allocation of the value o property used in interstate commerce, vessels or other watercraft, commercial aircraft, or business aircraft. Tangible personal property used for the production of income must be rendered, according to the provisions of Tax Code Section 22.01, on a separate form (50-145). Failure to file rendition timely or at all will subject the property owner to monetary penalties provided by Tax Code Sections 22.28 and 22.29; however, failure to file a rendition will not cause the property to be disqualified from allocation of value, if the property otherwise qualifies and the filing deadlines met.

Filing and Deadlines: A person claiming an allocation must apply for the allocation each year the person claims the allocation. A person claiming an allocation must file a completed allocation application before **May 1** and must provide the information required by this form. If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 45th day after the dat of receipt of the notice of appraised value required by Tax Code Section 25.19(a)(3). For good cause shown, the chief appraiser shall extend the deadline for filing an allocation application form by written order for a period not to exceed 60 days [ax Code Section 21.09(b)].

If the chief appraiser extends the deadline for a rendition statement or property report to May 15, the chief appraiser must also extend the deadline for the property owner to file an allocation application or freeport exemption application to May 15. For good cause shown, the chief appraiser may allow an additional 30 days for allocation applications and 60 days for freeport exemption applications.

Late Application, Penalty and Notice: The chief appraiser shall accept and approve or deny an application for an allocation of value after the deadline for filing if the application is filed before the date the appraisal review board approves the appraisal records. If the application is approved, the property owner is liable to each taxing unit for a penalty in an amount equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the property without the allocation and the amount of tax imposed on the property with the allocation. The chief appraiser shall deliver a written notice of imposition of the penalty with an explanation to the property owner. The amount of the penalty shall be added to the tax bill at the time and in the manner the collector collects the tax. The penalty amount constitutes a lien against the property and accrues penalty and interest in the same manner as a delinquent tax.

Verification and Cancellation of Value Allocation: If the chief appraiser learns of any reason indicating that an allocation previously allowed should be canceled, the chief appraiser shall investigate. If the chief appraiser determines that the property is not entitled to an allocation, the chief appraiser shall cancel the allocation and deliver written notice of the cancellation not later than the 5th day after the date the chief appraiser makes the cancellation.

Texas Property Tax Code Section 21.021. Vessel and Other Watercraft

(a) A vessel or other watercraft used as an instrumentality of commerce (as defined in Section 21.031(b) of this code) is taxable pursuant to Section 21.02 of this code

(b) A special-purpose vessel or other watercraft not used as an instrumentality of commerce (as defined in Section 21.031(b) of this code) is deemed to be located on January 1 for more than a temporar period for purposes of Section 21.02 of this code in the taxing unit in which it was physically located during the year preceding the tax year. If the vessel or watercraft was physically located in more than one taxing unit during the year preceding the tax year, it is deemed to be located for more than a temporary period for purposes of Section 21.02 of this code in the taxing unit in which it was physically located for the longest period during the year preceding the tax year or for 30 days, whichever is longer. If a vessel or other watercraft is not deemed to be located in any taxing unit on January 1 for more than a temporary period pursuant to the subsection, the property is taxable as provided by Subdivisions (2) through (4) of Section 21.02 of this code.

(c) This section applies solely to a determination of taxable situs and does not apply to a determination of jurisdiction to tax under Section 11.01 of this code.

Section 21.031. Allocation of Taxable Value of Vessels and Other Watercraft Used Outside This State

(a) If a vessel or other watercraft that is taxable by a taxing unit is used continually outside this state, whether regularly or irregularly, the appraisal office shall allocate to this state the portion of the tota market value of the vessel or watercraft that fairly reflects its use in this state. The appraisal office shall not allocate to this state the portion of the total market value of the vessel or watercraft that fairly eflects its use in another state or countr , in international waters, or beyond the Gulfward boundary of this state.

(b) The appraisal office shall make the allocation as follows

(1) The allocable portion of the total fair market value of a vessel or other watercraft used as an instrumentality of commerce that is taxable in this state is determined by multiplying the total fair market value by a fraction, the numerator of which is the number of miles the vessel or watercraft was operated in this state during the year preceding the tax year and the denominator of which is the total number of miles the vessel or watercraft was operated during the year preceding the tax year. For purposes of this section, “vessel or other watercraft used as an instrumentality of commerce” means a vessel or other watercraft that is primarily employed in the transportation of cargo, passengers, or equipment, and that is economically employed when it is moving from point to point as a means of transportation.

(2) The allocable portion of the total fair market value of a special-purpose vessel or other watercraft not used as an instrumentality of commerce is determined by multiplying the total fair market value by a fraction, the numerator of which is the number of days the vessel or watercraft was physically located in this state during the year preceding the tax year and the denominator of which is 365. For purposes of this section, “special-purpose vessel or other watercraft not used as an instrumentality of commerce” means a vessel or other watercraft that:

(A) is designed to be transient and customarily is moved from location to location on a more or less regular basis;

(B) is economically employed when operated in a localized area or in a fixed place; an

(C) is not primarily employed to transport cargo, passengers, and equipment but rather to perform some specialized function or operation not requiring constant movement from point to point.

(c) A vessel or other watercraft used as an instrumentality of commerce or a special-purpose vessel or other watercraft not used as an instrumentality of commerce that is used outside this state and is in this state solely to be repaired, stored, or inspected is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02 of this code.

(d) If the allocation provisions of this section do not fairly reflect the use of a vessel or other watercraft in this state, an alternate allocation formula shall be utilized if the property owner or appraisal offi demonstrates that:

(1) the allocation formula specified in this section is arbitrary and unreasonable as applied to the vessel or watercraft; an

(2) the formula or indication of use proposed by the property owner or appraisal office more fairly reflects the vessel or watercraf s use in this state than that specified in this section

(e) To receive an allocation of value under this section, a property owner must apply for the allocation on a form that substantially complies with the form prescribed by the State Comptroller. The application must be filed with the chief appraiser for the district in which the property to which the application applies is taxable before the approval of the appraisal records by the appraisal revie board as provided by Section 41.12 of this code.

(f) The State Comptroller shall promulgate forms and may adopt rules consistent with the provisions of this section.

(g) A vessel or other watercraft to be used as an instrumentality of commerce or a special-purpose vessel or other watercraft not to be used as an instrumentality of commerce that is under construction in this state is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02.

(h) Tangible personal property in this state is presumed to be in interstate, international, or foreign commerce and located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02 if the owner demonstrates to the chief appraiser that the owner intends to incorporate the property in or attach the property to identified vessel or other watercraft described by Subsection (c) o (g).