

Dealer's Vessel and Outboard Motor Inventory Tax Declaration Instructions and Information

A vessel has the meaning in Parks and Wildlife Code Section 31.003, and does not include those more than 65 feet in length (excluding sheer) and canoes, kayaks, punts, rowboats, rubber rafts or other vessels under 14 feet in length when paddled, poled, oared or windblown. An outboard motor has the meaning in Parks and Wildlife Code Section 31.003. A vessel also includes a trailer designed to carry a vessel and is a trailer or semi-trailer defined by Transportation Code Section 501.002. It does not include fleet transactions, dealer sales, and subsequent sales.

GENERAL INSTRUCTIONS: This declaration is for a dealer of vessels and outboard motors to declare vessel and outboard motor inventory pursuant to Tax Code Section 23.124. File a declaration for each business location.

WHERE TO FILE: This declaration, and all supporting documentation, must be filed with the appraisal district office in the county in which your business is located. A copy of each declaration must be filed with the county tax assessor-collector's office.

DECLARATION DEADLINES: Except as provided by Tax Code Section 23.125(l), a declaration must be filed not later than Feb. 1 of each year or, in the case of a dealer who was not in business on Jan. 1, not later than 30 days after commencement of the business.

PENALTIES: A dealer who fails to file a declaration commits a misdemeanor offense punishable by a fine not to exceed \$500. Each day during which a dealer fails to comply is a separate violation. In addition to other penalties provided by law, a dealer who fails to file or timely file a required declaration must forfeit a penalty of \$1,000 for each month or part of a month in which a declaration is not filed or timely filed after it is due. A tax lien attaches to the dealer's business personal property to secure payment of the penalty.

OTHER IMPORTANT INFORMATION: The chief appraiser and collector may examine the books and records of a dealer as provided by Tax Code Section 23.124(g) and 23.125(f).

ADDITIONAL INSTRUCTIONS

Step 1. Dealer Information.

Step 2. Business Information. Attach a list with the name and business address of each location at which you conduct business and each of the dealer's and manufacturer's numbers issued by the Texas Parks and Wildlife Department (TPWD).

Step 3. Business Location of Declared Inventory. Provide the business name, TPWD dealer's and manufacturer's numbers, and physical business address of the business location for the inventory you are declaring in this form. Provide the appraisal district account number if available or attach a tax bill or copy of appraisal or tax office correspondence concerning your account.

Step 4. Breakdown of Sales and Sales Amounts. Complete the boxes on units sold and sales amounts for the preceding year. The top row of boxes is the number of units sold in each category. The bottom row of boxes is the dollar amount sold in each category. The categories include:

- **Vessel and outboard motor inventory** – sales of vessels and outboard motors.
- **Fleet transaction** – vessels and outboard motors included in the sale of five or more vessels or outboard motors from your inventory to the same buyer within one calendar year.
- **Dealer sales** – sales of vessels and outboard motors to another dealer.
- **Subsequent sales** – dealer-financed sales of vessels and outboard motors that, at the time of sale, have dealer financing from your inventory in the same calendar year.

Step 5. Market Value of Motor Vehicle Inventory. State the market value of the inventory for the current tax year as computed under Tax Code Section 23.124. Market value is total annual sales from the dealer's inventory less sales to dealers, fleet transactions, and subsequent sales for the previous 12-month period corresponding to the prior tax year divided by 12. Total annual sales is the total of the sales price from every sale from the inventory for a 12-month period. If you were not in business for the entire 12-month period, report the sales for those months you were in business and the chief appraiser will determine the inventory's market value.

Step 6. Signature and Date. By signing this declaration, you certify that the dealer identified in Step 1 is the owner of a dealer's vessel and outboard motor inventory.