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

**Harris Central Appraisal District**  
Business Industrial Property Division  
PO Box 922007  
Houston, TX 77292-2007  
FORM 50-113 (03/26)



**Account Number:** \_\_\_\_\_

**Tax Year:** \_\_\_\_\_

**ANNUAL APPLICATION REQUIRED:**

This exemption requires an application each year the exemption is claimed.



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 agent code \_\_\_\_\_

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 Description and Information**

Provide the following information regarding the location of inventory.

\_\_\_\_\_  
Address, City, State, Zip Code

**SECTION 4: Questions About Your Property**

- 1. Will portions of this inventory be transported out of state this year?.....  Yes  No
- 2. Have you applied for Sept. 1 inventory appraisal? .....  Yes  No
- 3. Were portions of your inventory transported out of this state throughout last year? .....  Yes  No

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.**

I, \_\_\_\_\_, 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.

# Important Information

## GENERAL INFORMATION

Applicants may use this form to claim a property tax exemption for freeport goods pursuant to Texas Constitution Article 8, Section 1-j and Tax Code Section 11.251. The current year's exemption amount 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, a taxing unit's governing body 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 oil or natural gas refining as defined by Comptroller Rule 9.4201.

## APPLICATION DEADLINES

File this form and all supporting documentation with the appraisal district between Jan. 1 and April 30 of the tax year for which you request the exemption. If the chief appraiser extends the deadline for the property owner to file a rendition statement or property report to May 15 under Tax Code Section 22.23(b), the chief appraiser must also extend the deadline for the property owner to file this application to May 15.

For good cause shown, the chief appraiser may extend the deadline 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, applicants must furnish the information within 30 days after the request date or the chief appraiser will deny the application.

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. Applicants can protest the denial with the appraisal review board under Tax Code Chapter 41.

A late application must be filed on or before the later of June 15, or if applicable, the 60th day after the chief appraiser delivers notice to the property owner under Tax Code Section 22.22, for the year for which the applicant requests the exemption.

## PENALTIES

Pursuant to Tax Code Section 11.4391, if a the chief appraiser approves a late application, the property owner is liable to each taxing unit allowing the exemption for a penalty in an amount equal to the lesser of:

- 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.
- or 10 percent of the amount of tax imposed by the taxing unit on the inventory or property, a portion of which consists of freeport goods.

## ANNUAL APPLICATION REQUIRED

This exemption requires an application each year.