

Dealer's Vessel and Outboard Motor Inventory Tax Statement 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. Only this type of sale has a unit property tax (see below).

GENERAL INSTRUCTIONS: This inventory tax statement must be filed by a dealer of vessel and outboard motor inventory pursuant to Tax Code Section 23.125. This statement is filed together with an amount equal to the total amount of the unit property tax assigned to all vessels and outboard motors sold in the preceding month. File a separate statement for each business location and retain documentation.

WHERE TO FILE: This document and prepayment of taxes must be filed with the county tax assessor-collector's office. A copy of each statement must be filed with appraisal district office.

STATEMENT DEADLINES: Except as provided by Tax Code Section 23.125(g), a statement and prepayment of taxes must be filed on or before the 10th day of each month.

PENALTIES: A dealer who fails to file or timely file a statement commits a misdemeanor offense punishable by a fine not to exceed \$100 with each day that the dealer fails to comply a separate violation. In addition to other penalties provided by law, a dealer who fails to file or timely file a statement must forfeit a penalty of \$500 for each month or part of a month in which a statement 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. In addition to other penalties provided by law, an owner who fails to remit unit property tax due must pay a penalty of 5 percent of the amount due. If the amount due is not paid within 10 days after the due date, the owner must pay an additional 5 percent of the amount due. Unit property taxes paid on or before Jan. 31 of the year following the date on which they are due are not delinquent.

OTHER IMPORTANT INFORMATION: The chief appraiser or collector may examine documents held by a dealer in the same manner and subject to the same conditions as provided by Tax Code Section 23.124(g) and 23.125(f).

ADDITIONAL INSTRUCTIONS

Step 1: Dealer Information

Step 2: Business Location Information. Provide the appraisal district account number if available or attach a tax bill or copy of appraisal or tax office correspondence concerning your account. Provide the dealer's and manufacturer's numbers issued by the Texas Parks and Wildlife Department (TPWD).

Step 3: Inventory Information. Provide the following information about each vessel and outboard motor sale during the reporting month. Continue on additional pages if necessary. In lieu of filling out the information in this step, you may attach separate documentation setting forth the information required. All such information must be separately identified in a manner that conforms to the column headers used in the table below. See below for additional instructions and footnotes.

1 Type of Sale: Place one of the following codes by each sale reported:

VM – vessel and outboard motor inventory – sales of vessels and outboard motors.

FL – fleet transactions – vessels and outboard motors included in the sale of five or more vessels and outboard motors from your inventory to the same buyer within one calendar year.

DL – dealer sale – sale of vessels and outboard motors to another dealer.

SS – subsequent sales – dealer-financed sale of vessels and outboard motors that, at the time of sale, have dealer financing from your vessel and outboard motor inventory in the same calendar year.

2 Sales Price: The price as set forth on the "Application for Texas Certificate of Number/Title, for Boat/Seller, Donor or Trader's Affidavit" for a vessel, the "Application for Texas Certificate of Title for an Outboard Motor/Seller, Donor or Trader's Affidavit" for an outboard motor, or the "Application for Texas Certificate of Title" for a trailer treated as a vessel, or the price that would appear if those forms were used.

3 Unit Property Tax: To compute, multiply the sales price by the unit property tax factor. For fleet, dealer and subsequent sales that are not included in the vessel and outboard motor inventory, the unit property tax is \$0-. Contact either the county tax assessor-collector or county appraisal district for the current unit property tax factor. The unit property tax factor is calculated by dividing the prior year aggregate tax rate by 12. If the aggregate tax rate is expressed in dollars per \$100 of valuation, divide by \$100 and then divide by 12. It represents one-twelfth of the preceding year's aggregate tax rate at the location. If no unit property tax is assigned, state the reason.

4 Total Unit Property Tax for This Month: Enter the total amount of unit property tax. This is the total amount of unit property tax that will be submitted with the statement to the collector.