



**DALLAS CENTRAL APPRAISAL DISTRICT**  
 Business Personal Property Division - Freeport Exemption  
 P.O. Box 560367 \* Dallas, Texas 75356-0367  
 Phone: (214) 631-7406 Fax: (214) 638-6509  
 www.dallascad.org

**APPLICATION FOR EXEMPTION OF GOODS EXPORTED FROM TEXAS**  
**("FREEPORT EXEMPTION") FOR 2009**

This application covers property you owned on January 1 of this year (or September 1 of the preceding year, if you receive a September 1 inventory appraisal). You must file the completed form between January 1 and April 30 of this year. Be sure to attach any additional documents requested.

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. The amount of goods in transit exemption for this year is normally based on the percentage of your inventory made up by such goods last year.

You must apply for this exemption each year as it will not be automatically renewed.

<b>STEP 1:</b> <b>Owner's name and address</b>	Owner's name		
	Current mailing address (number and street)		
	City, State, Zip Code	Phone (area code and number)	Fax (area code and number)
	Name of person preparing this application		Title
<b>STEP 2:</b> <b>Authorized agent's name</b>	Authorized agent's name (if applicable)		License #
	Mailing address (number and street)		Email Address
	City, State, Zip Code	Phone (area code and number)	Fax (area code and number)
<b>STEP 3:</b> <b>Describe the property</b>	Provide the account number, if available. Otherwise, attach tax bill or copy of tax office correspondence concerning this account.		
	Business location of inventory in Dallas County (street address, city, zip code)		
	Describe the types of items on this inventory. Attach additional sheets, if necessary.		
<b>STEP 4:</b> <b>Answer the following questions about the property</b>	For the purposes of this application, "inventory" means your inventory of finished goods, raw materials, and work in process.		
	1. Will you transport portions of this inventory out of state this year? <input type="checkbox"/> Yes <input type="checkbox"/> No 2. Have you applied for appraisal of your inventory on September 1? <input type="checkbox"/> Yes <input type="checkbox"/> No 3. Did you engage in transporting portions of your inventory out of this state throughout last year? <input type="checkbox"/> Yes <input type="checkbox"/> No  If no, state the months during which you engaged in transporting portions of your inventory out of state last year. _____		

(over)

**STEP 4:**  
**(continued)**

4. State the 2008 year-end total cost of goods sold specific to this business location in Dallas County for which the exemption will be applied. Do not include cost of goods sold for locations outside of Dallas County.  
\$ \_\_\_\_\_
5. State the total cost of goods sold that were shipped out of Texas from this business location in Dallas County within 175 days of the date you acquired them 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.  
\$ \_\_\_\_\_
6. Percentage of last year's inventory value represented by freeport goods (divide 5 by 4). \_\_\_\_\_ %
7. Check all of the types of records on which you base the amounts given above?
 

<input type="checkbox"/> Audited financial statements	<input type="checkbox"/> Sales records
<input type="checkbox"/> Internal reports	<input type="checkbox"/> Bills of lading
<input type="checkbox"/> Texas franchise tax reports	<input type="checkbox"/> Other (describe) _____
8. Will the percentage of goods you transport out of Texas this year be significantly different than the percentage you transported out last year?  Yes  No  
If yes, why? \_\_\_\_\_  
\_\_\_\_\_
9. What was the cost of your inventory at this business location in Dallas County on January 1 of this year (or September 1 of last year, if applicable)?  
\$ \_\_\_\_\_
10. What is the cost of the inventory you claim will be exempt this year (multiply 9 by 6)? \$ \_\_\_\_\_

**STEP 5:**  
**Sign the application**

Note: The Chief Appraiser may require you to provide records to support the statements in this application. If so, you must supply the records within 30 days of the date of the written request. If you do not comply, you may be subject to a late penalty or forfeit the right to receive the exemption for this year.

I certify that the information in this document and any attachments is true and correct to the best of my knowledge and belief.

Authorized Signature	Title/Agent No., if applicable	Date
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Printed Name	Phone No.	Fax No.	Email Address
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Under the Texas Penal Code, Section 37.10, if you make a false statement on this application, you could receive a jail term of up to 1 year and a fine of up to \$3,000, or community correctional facility confinement of up to 1 year, or a prison term of 2 to 10 years and a fine of up to \$10,000.

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



# DALLAS CENTRAL APPRAISAL DISTRICT Freeport Exemption Worksheet

DBA \_\_\_\_\_

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

### Important Information:

1. All data furnished from Accounting Records must be for the preceding calendar year.
2. Items 1a, 1b, 2 & 4 must be proven by copies of Accounting records.
3. Items 1a, 2, 3, 4 & 5 must be entered on the application.
4. 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 Dallas County: \_\_\_\_\_ (A)

1b. Enter month ending Inventory for each calendar month (omit cents) for this business location in Dallas 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 Dallas 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 Dallas County: = \_\_\_\_\_ (4)

5. Freeport Inventory Calculation:  
\_\_\_\_\_ (4) multiplied by \_\_\_\_\_ (3) =  Exempt Inventory (5)



Dallas 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 Dallas 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).
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 Steve Wise, Special Assessments Supervisor, at (214) 631-7406.

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**DALLAS 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