


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

Form 50-113

Tax Year **2025**

Appraisal District's Name Dallas County Appraisal District	Phone (area code and number) 214-631-7406	Tax District Code TCode
Address Business Personal Property Division PO Box 560368 Dallas, TX 75356-0368	Appraisal District Account Number: 	00000000000000123

GENERAL INFORMATION: This application is used to claim a property tax exemption for freeport goods pursuant to Texas Constitution Article 8, Section 1-j and Tax Code Section 11.251.

FILING INSTRUCTIONS: This form and all supporting documentation must be filed with the appraisal district office in each county in which the property is taxable so that the chief appraiser is able to determine whether the statutory qualifications for the exemption have been met. Do not file this document with the Texas Comptroller of Public Accounts.

SECTION 1: Property Owner/Applicant

Did the applicant own the property that is the subject of this application on Jan 1. of the tax year? ☐ Yes ☒ No

The applicant is the following type of property owner:

☐ Individual ☐ Partnership ☒ Corporation ☐ Other (please specify): _____

Dennis Friedman - (Sample Dallas County) (DBA Big D Parts)

111223333

Name of Property Owner:

Driver's License, Personal I.D. Certificate, Social Security Number or Federal Tax I.D. Number*

555 some other street, Dallas, TX 55555

Physical Address, City, State, ZIP Code

(214) 555-1234 Ext 123456

Primary Phone Number (area code and number)

dallas@dallas.com

Email Address**

4545 N. Elm StreetDallas, TX 74133-1234

Mailing Address, City, State, ZIP Code (if different from the physical address provided above):

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 proeprty 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

☐ 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 Nmuber (area code and number)

Email Address**

Mailing Address, City, State, ZIP Code

SECTION 3: Property Information

Provide the following information regarding the location of inventory.

123 main street

Address, City, State, ZIP Code

Legal Description (if known)

SECTION 3: Property Information (continued)

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.

January, June, November

4. Total cost of goods sold for the entire year ending December 31, <u>2024</u>	\$ 100,000
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.	\$ 50,000

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) other here...

7. Percentage of last year's value represented by freeport goods (line 5 divided by line 4)	50.00 %
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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?

Reason why is here...

9. What was the market value of your inventory on January 1 of this year, or Sept. 1 of last year if you have qualified for Sept. inventory appraisal?	Finished Inventory = 1,000 Raw Materials = 2,000 Work in Process = 3,000	\$ 6,000
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10. What is the value of the inventory you claim will be exempt this year?	\$ 3,000
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SECTION 4: Additional Documents to be Provided

You are required to attach to this application a description of the types of items in the inventory .

Widgets and more

General description of the types of items in this inventory. (You are also required to attach to this application a description of the types of items in the inventory)

SECTION 5: Certification and Signature

If you make a false statement on 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, Dennis Friedman , 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; and
2. that the property described in the application meets the qualifications under Texas law for the special exemption claimed .

sign
here >

Signature of Property Owner or Authorized Representative

Date

* Social security number disclosure may be required for tax administration and identification. (42 U.S.C. §405(c)(2)(C)(i); Tax Code Section 11.43(f). A driver's license number, personal identification number or social security number disclosed; in an exemption application is confidential and not open to public inspection, except as authorized by Tax Code Section 11.48(b).

** May 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

This application is used 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 amount of the exemption for this year is normally based on the percentage of your inventory made up by such goods last year. The exemption applies to items in your 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, the governing body of a taxing unit 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 the refining of oil or natural gas as defined by Comptroller Rule 9.4201.

FILING INSTRUCTIONS

This form and all supporting documentation must be filed with the appraisal district office in each county in which the property is taxable. Do not file this document with the Texas Comptroller of Public Accounts.

APPLICATION DEADLINES

The completed application and supporting documents must be submitted to the appraisal district between Jan. 1 and April 30 of the tax year for which you request the exemption.

For good cause shown, the chief appraiser may extend the deadline for filing application by written order for a single period not to exceed 60 days. The appraiser may disapprove the application and request additional information. If chief appraiser requests additional information, the information must be furnished within 30 days after the date of the request or the application is denied.

For good cause shown, the chief appraiser may extend the deadline furnishing the information by written order for a single period not to exceed 60 days. If the chief appraiser denies the application, that determination may be protested to the county 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 date the chief appraiser delivers notice on the property owner under Tax Code Section 22.22, for the year for which the exemption is requested. Pursuant to Tax Code Section 11.4391, if a late application is approved, the property owner is liable to each taxing unit for a penalty equal to 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.

ANNUAL APPLICATION REQUIRED

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

REQUIRED DOCUMENTATION

This form and all supporting documentation must be filed with the appraisal district office in each county in which the property is taxable so that the chief appraiser is able to determine whether the statutory qualifications for the exemption have been met.

Freeport Exemption Worksheet

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
5. This worksheet only calculates an exemption on inventory based on 175 days. It does not calculate an exemption for aircraft parts.

1. Inventory Turn Calculation:

(A) Enter the **total cost of goods sold and / or forwarded from this location** during the previous calendar year: \$ 100,000 (1.A)

(B) Enter the **month-ending inventory cost** for each month of the previous calendar year:

JAN \$ <u>1,000</u>	APR \$ <u>4,000</u>	JUL \$ <u>7,000</u>	OCT \$ <u>10,000</u>
FEB \$ <u>2,000</u>	MAY \$ <u>5,000</u>	AUG \$ <u>8,000</u>	NOV \$ <u>11,000</u>
MAR \$ <u>3,000</u>	JUN \$ <u>6,000</u>	SEP \$ <u>9,000</u>	DEC \$ <u>12,000</u>

(C) Sum of January through December month-ending inventory costs = 78,000 (1.C)

(D) Average annual inventory calculation: 78,000 (1.C) divided by 12 = 6,500 (1.D)

(E) Inventory Turns:

100,000 (1.A) divided by 6,500 (1.D) = 15.3846 turns (1.E)

365 days (1.A) divided by 15.3846 turns (1.E) = 24 days (1)

IF ITEM(1) IS GREATER THAN 175, THE EXEMPTION CANNOT BE GRANTED

2. Enter the **cost of goods sold and / or forwarded from this location** to a destination outside of Texas during the previous calendar year within 175 days of the date they were acquired within or brought into Texas, 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:

= 50,000 (2)

3. Exemption percentage calculation:

50,000 (2) divided by 100,000 (1.A) = 50.00 %(3)

4. January 1st inventory cost (or September 1st of last year, if applicable) =

6,000 (4)

5. EXEMPT INVENTORY CALCULATION:

6,000 (4) multiplied by 50.00 % (3) =

3,000 (5)

EXEMPT INVENTORY

Freeport / Goods-In-Transit Exemption Documentation Affidavit of the Property Owner

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 _____ page(s) and described as _____, is / are a complete and accurate reflection of the official books and records of this company as of the _____ day of _____, _____.

Date

Signature

Type or Print Name

Title

Company

SUBSCRIBED AND SWORN BEFORE ME ON THIS _____ day of _____, _____.

Notary Public

Type of Print Name

My commission expires _____

Date