

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

YEAR \_\_\_\_\_

Appraisal district name	Phone (area code and number)
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Address \_\_\_\_\_


INSTRUCTIONS: This exemption applies to items in your inventory on January 1 (or September 1 of last year, if applicable) that (1) are or will be forwarded out of Texas within 175 days of the date you acquire them or bring them into Texas and (2) are in Texas for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes. The exemption does not apply to oil, to natural gas or to liquid gases that are immediate derivatives of refining oil or natural gas. The amount of the goods in transit exemption for this year is normally based on the percentage of your inventory made up by such goods last year. This application covers property you owned on January 1 of this year (or September 1 of the preceding year if you receive September 1 inventory appraisal). You must file the completed form between January 1 and no later than April 30 of this year. You may file a late application up to midnight the day before the appraisal review board approves the appraisal records for the year. Approval usually occurs in July. If you do file a late application and your application is approved, you must pay a penalty equal to 10% of the tax savings resulting from the freeport exemption. Be sure to attach any additional documents requested. You must apply for the exemption in each year you claim entitlement.

<b>Step 1:</b> <b>Owner's name and address</b>	Owner's name		
	Current mailing address		
	City, state, ZIP Code		Phone (area code and number)
	Name of person preparing this application	Driver's License, Personal I.D. Certificate, or Social Security Number*	Title

<b>Step 2:</b> <b>Authorized Agent's Name</b>	Authorized agent's name (if different for above)		
	Mailing address		
	City, state, ZIP Code		Phone (area code and number)

<b>Step 3:</b> <b>Describe the property</b>	Appraisal district account number	Give appraisal roll account number if available or attach tax bill or copy of appraisal or tax office correspondence concerning this account. If unavailable, give the street address at which the property is located.
	Location of inventory (street address, city, ZIP Code)	
	Give a general description of the types of items in this inventory. (use additional sheets if necessary)	

<b>Step 4:</b> <b>Answer these questions about your property</b>	<i>For the purposes of this application, "inventory" means your inventory of finished goods, supplies, raw materials and work in process.</i>		
	Will portions of this inventory be transported out of state this year? ..... Yes <input type="checkbox"/> No <input type="checkbox"/>		
	Have you applied for appraisal of your inventory on September 1? ..... Yes <input type="checkbox"/> No <input type="checkbox"/>		
	Were portions of your inventory transported out of this state throughout last year? ..... Yes <input type="checkbox"/> No <input type="checkbox"/> If "NO," because inventory transported only part of year, give the months during which portions of your inventory were transported out of the state last year.		
	1. Give the total cost of goods sold for the entire year ending December 31, _____		\$
	2. Give the total cost of goods sold that were shipped out of Texas within 175 days of the date you acquired them in 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.		\$
3. On what types of records do you base the amounts given above? (Check as many as apply.)			
<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) _____			
4. Percentage of last year's inventory value represented by freeport goods (divide 2 by 1).		%	
5. Will the percentage of goods transported out of Texas this year be significantly different than the percentage transported out last year? Yes <input type="checkbox"/> No <input type="checkbox"/>			

<b>(continued)</b>  <b>Step 4:</b> <b>Answer these questions about your property</b>	6. If "YES," why? _____ _____ _____	
	7. What was the market value of your inventory on January 1 of this year (or September 1 of last year, if you have qualified for September 1 inventory appraisal)?	\$
	8. What is the value of the inventory you claim will be exempt this year?	\$
<b>Step 5:</b> <b>Sign the form</b>	I certify that the information in this document and all attachments is true and correct to the best of my knowledge and belief.	
	<b>sign here</b> 	Date
	Title	
	<b>If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.</b>	

\* You are required to give us this information on this form, in order to perform tax related functions for this office. Section 11.43 of the Tax Code authorizes this office to request this information to determine tax compliance. The chief appraiser is required to keep the information confidential and not open to public inspection, except to appraisal office employees who appraise property and as authorized by Section 11.48(b), Tax Code.

**OTHER IMPORTANT INFORMATION**

After you file this application, your chief appraiser may require additional information from you before granting the freeport exemption. You must provide the additional information within 30 days of the request. If you provide the information after the 30 day deadline has passed, you may still qualify for the freeport exemption. However, you must pay a penalty equal to 10% of the tax savings resulting from the freeport exemption. If you do not provide the information requested, you forfeit the right to receive the exemption for this year.