

Freeport Exemption

The Freeport Exemption can be applied toward goods, wares, merchandise, other tangible personal property and ores (other than oil, natural gas and other petroleum products). They are exempt from ad valorem taxation if the inventory meets the following criteria:

- Acquired in or imported into Texas to be forwarded outside of Texas.
- The property is detained in Texas for assembling, storing, manufacturing, processing or fabricating purposes by the person who acquired or imported the property.
- The property is transported outside the State within 175 days after the date the person acquired or imported the property.

How Inventory Value is Established

- The chief appraiser of the Collin County Appraisal District shall determine the appraised value of freeport goods. The chief appraiser shall determine the percentage of the market value of inventory or property owned in the preceding calendar year that was contributed by freeport goods. The chief appraiser shall apply that percentage to the market value of the property owner's inventory or property for the current year to determine the appraised value of freeport goods for the current year.
- In determining the market value of freeport goods in the preceding year, the chief appraiser shall exclude the cost of equipment, machinery or materials that entered into and became component parts of the freeport goods, but were not themselves freeport goods or that were not transported outside the State before the expiration of 175 days. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held in this State by the property owner during the preceding year in determining whether the component parts were transported out of this State within 175 days.

How to Apply

Documents to be supplied to Collin County Appraisal District for review must be submitted annually and may include:

- The application for Freeport Exemption available through the Collin County Appraisal District at www.collincad.org. The form may also be found at the Texas Comptroller of Public Accounts website at www.window.state.tx.us/taxinfo/taxforms/50-113.pdf.
- Copies of inventory or property records to determine the amount and value of freeport goods.

Annual Deadlines

January 1 Date established to determine value of property.

April 30 Deadline to submit a Freeport Exemption form to the Collin County Appraisal District.

Late May/Early June Valuation notices are mailed to the company, who then has 30 days from the date of mailing to contest a value with the appraisal district.

October Final tax statements are mailed to the company.