



Aransas County Appraisal District

Guide to Personal Property Rendition

If you own a business, you are required by law to report personal property that is used in that business to your county appraisal district. There are substantial penalties for failure to report or for falsification and tax evasion. The Aransas County Appraisal District has prepared this document to assist you in complying with this very important law.

What is a rendition?

A rendition is a form that provides information about property that you own. The appraisal district uses the information you provide to appraise your property for taxation.

Who has to render?

- Owners of tangible personal property that is used for the production of income (see below)
- Owners who have been formally notified by the chief appraiser that they must render

What kinds of property must be rendered?

For taxation purposes, your property is classified as either real property (land, buildings, and other items attached to land) or personal property (items that can be owned but are not attached to land). Personal property that you use to produce income – or for business purposes – must be rendered. This includes furniture and fixtures, equipment, machinery, computers, inventory held for sale or rental, raw materials, finished goods, and work in process. You are not required to render intangible personal property – items that can be owned but do not have a physical form – such as cash, accounts receivable, goodwill, custom computer software, and other similar items. If your organization qualifies for an exemption - for example, a religious or charitable organization exemption - the exemption will apply to personal property.

You may qualify for an exemption from ad valorem taxation for one passenger car or light truck that is owned by an individual and used by that individual for both professional and personal activities. Vehicles that are individually owned and used for the transportation of passengers for hire would NOT be eligible for this exemption.

Which forms will I need to file?

Most businesses will need to file the Business Personal Property Rendition of Personal Property, Form 50-144. There are special forms if your business is a short term

rental or vessel. In addition, a special form is available for restaurants, but not required in place of 50-144. As a courtesy, the Appraisal District mails these forms in January to all known businesses in Aransas County. If your business does not receive this form, it is still your responsibility to file a rendition.

To request the vehicle exemption, your application must be filed with the appraisal district on or before April 30. The application is to be made on form 50-759. If you mail the form, it must be postmarked no later than midnight April 30. The individual who has been granted or has applied for this exemption is not required to render the vehicle for the year in which the exemption has been applied for or granted.

When must the rendition be filed?

Normally, the last day to timely file your rendition is April 15. If you mail the rendition, it must be postmarked on or before April 15. If you hand deliver it, it must be physically received in our office before the close of business on April 15. If April 15 falls on the weekend, be sure you have your letter postmarked before mailing.

If you need more time to complete your rendition, you have the right to an automatic extension to May 15, and a further 15-day extension if you show good cause. If you plan to request a May 15 extension, the request must be made in writing to our office on or before April 15. If you need the additional extension for good cause, the form must be mailed or delivered no later than May 15. Requests for extensions received after deadline will be automatically denied. If your request for an additional 15-day extension is denied, you are subject to the original deadline of May 15.

What are the penalties for failure to comply?

There are two levels of penalties for failure to comply. If you fail to timely file your rendition before the deadline or you do not file at all, the penalty is equal to 10% of

the amount of taxes ultimately imposed on the property. If it is determined that you have committed fraud or done other acts with the intent of evading taxes on the property, a penalty equal to 50% of the taxes ultimately imposed on the property will be levied.

Where must the rendition be filed?

Renditions for property located in Aransas County must be filed with the Aransas County Appraisal District. The mailing address is: Aransas County Appraisal District, Business Personal Property, 11 Hwy 35N, Rockport, TX 78382. Renditions may also be hand delivered to the same address. Renditions will not be accepted through any other means.

What will the appraisal district do with my rendition?

Your rendition will be analyzed and used; along with other information we collect on similar businesses, to develop an estimate of value for your property.

Is my information confidential?

Yes. Information contained in a rendition cannot be disclosed to third parties except in very limited circumstances. In addition, the code specifically provides that any estimate of value you provide is not admissible in proceedings other than a protest to the ARB or court proceedings related to penalties for failure to render. The final value we place on your property is public information, but your rendition is not.

What information is required for the rendition?

Depending on the type of property you own and its value, you can expect to provide the following information:

Location

You will need to give the address where the property was located on January 1. If the property was in transit on January 1, or is regularly used in more than one location, you should provide additional information about the property's normal location and circumstances on January 1.

General description

A general description should give enough information to identify the property and distinguish it from other items that you own. At minimum, you should identify the major categories of personal property assets that you own, using the same terminology you would use in reporting to the internal revenue service. You have the option of providing an itemized listing of the various assets in any category. For vehicles, you will need to provide the plate and VIN number, as well as the year, make, and model.

Quantity of items

If you own an inventory of items that you hold for sale or rental, you will need to provide an estimate of the quantity of each type of item that you hold in inventory. Again, you can provide an itemized list if you prefer for any category, but it is not required.

Good faith estimate of market value

The appraisal district will estimate the market value of your items on the basis of your rendition and other information in its possession. Under the rendition law, you must include in your rendition either a good faith estimate of the market value of your items or the historical cost and acquisition date of the items. If you choose to give a market value estimate, you should be aware that there are several different definitions of market value that may apply. For items other than inventory, market value is defined as follows:

"Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

(C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other. (Sec. 1.04, Texas Tax Code)

For inventory, market value is defined by the tax code as "the price for which it would sell as a unit to a purchaser who would continue the business." Sec. 23.12, Texas Tax Code. If your business has 50 or fewer employees, you may base your estimate of value on federal income tax depreciation schedules. You will need to be prepared to defend your estimate and explain how it was developed.

Original cost

Instead of providing a good faith estimate of market value, you may provide the original cost and date you acquired the property. Original cost (the code uses the term "historical cost when new") refers to the amount you paid to acquire the property. Your cost would include transportation and any other necessary expenses incurred in acquiring the property. If you purchased a used item, you should note on the form that you purchased it used and give the amount you paid.

Date of acquisition

Date of acquisition is simply the date you bought or acquired ownership of the property.

How should I estimate market value?

Publications that provide value information on assets are helpful tools in estimating market value. For example, there are numerous publications on vehicles and computer equipment that provides a range of value information for these assets. If you choose to use published value information, you must use a value that would reflect the assets worth near January 1. Keep in mind that book value does not always necessarily meet the guidelines for market value. Developing an estimated useful life and replacement cost of an asset is another method of estimating market value. The appraisal district has a depreciation schedule available upon request to assist you in determining the correct depreciation schedule to apply. Depreciation generally stabilizes at 20%; this is because personal property has an inherent value-in-use. If your organization uses internal depreciation schedules, provide a copy of that schedule along with your rendition.

When can the chief appraiser request an explanatory statement from me?

If you provide a good faith estimate of market value instead of original cost and acquisition date for any items, the chief appraiser may request an explanatory statement from you. The chief appraiser must make the request in writing, and you must provide the statement within 21 days of the date you receive the chief appraiser's request.

What must I include in an explanatory statement?

The explanatory statement must set out a detailed explanation of the basis for the estimate(s) of market value given in your rendition. The statement must include adequate information to identify the property. It must describe the physical and economic characteristics of the property that are relevant to its market value. It must give the source(s) of information used in valuing the property, and explain the basis for the value estimate.

If my business personal property assets are exactly the same as reported in my prior year rendition, do I still need to render?

Yes. If your personal property assets on January 1, were exactly the same as those assets contained in your most recent rendition statement you have filed with the appraisal district, then all you need to do is check the affirmation box in Step 3 on page 1 on your rendition form. Ensure the information in Step 1 is correct. After checking the affirmation box in Step 3, complete the Signature and Affirmation box at the bottom of the page.

If my business personal property assets are less than \$500, do I still need to render?

Yes. Texas House Bill 366 (HB 366) entitles a person to exemption from taxation if "the tangible personal property the person owns that is held or used for the production of income if that property has a taxable value of less than \$500." However, you must have a current rendition on file to qualify for the exemption.

What if the appraisal district values my property at a higher amount than what I render?

The appraisal district recommends you first contact the Business Personal Property Department to discuss any concerns you may have about your value. If you are unable to resolve any value discrepancies, you may file a protest with the appraisal review board.

Can I report all my properties on one rendition?

If the appraisal district has already set up accounts covering your property, you should file a rendition corresponding to each account. If the district does not have accounts set up for your property, it is generally best to file a rendition applicable to each location where your property is kept. For example, if you own three separate convenience stores, file three renditions, one for each store.

What are my rights if a penalty is assessed against me?

If a penalty is assessed against you, you can file a request for a waiver of the penalty. You must file the request in writing with the chief appraiser within 30 days after you receive the notice that the penalty has been imposed. Your request must include documentation showing that either you substantially complied with the rendition law or that you made a good faith effort to do so.

If the chief appraiser declines to waive a penalty and you have made a timely request for waiver, you may protest the imposition of the penalty to the appraisal review board. The board may waive the penalty if it finds that you substantially complied with the rendition law or made a good faith effort to do so.

What if I have questions that haven't been answered here?

You may contact the Appraisal District for assistance with any questions you may have. The phone number is 361.729.9733. Walk-in assistance is available; however, you may call ahead and schedule an appointment if you require extensive assistance. You may find the forms you need online at www.aransascad.org Additionally, information and forms may also be found at the Texas Comptroller's website at comptroller.texas.gov