

FREERPORT EXEMPTION



Policy Description:

Described in Chapter 11 of the Texas Tax Code, www.statutes.legis.state.tx.us/Docs/TX/pdf/TX.11.pdf, this incentive is designed to exempt some or a company's entire inventory from property taxes. The exemption is subtracted from the market value of the inventory or property determined under Section 23.12 to determine the taxable value of the inventory or property.

The chief appraiser shall determine the percentage of the market value of inventory or property owned by the property owner 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.

Property that meets the requirements of Article VIII, Sections 1-j(a)(1) and (2), of the Texas Constitution and that is transported outside of this state not later than 175 days after the date the person who owns it on January 1 acquired it or imported it into this state is Freeport goods regardless of whether the person who owns it on January 1 is the person who transports it outside of this state.

Eligibility Criteria:

- To be eligible, property must be assembled, stored, manufactured or fabricated locally and then exported out of the state within 175 days after the property was acquired or imported into the state.

How to Apply:

To receive an exemption, a person claiming the exemption must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs. www.ncadistrict.com/

To receive an exemption, the eligibility for which is determined by the claimant's qualifications on January 1 of the tax year, a person required to claim an exemption must file a completed exemption application form before May 1 and must furnish the information required by the form. A person who after January 1 of a tax year acquires property that qualifies for an exemption must apply for the exemption for the applicable portion of that tax year before the first anniversary of the date the person acquires the property. For good cause shown, the chief appraiser may extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days.

The comptroller, in prescribing the contents of the application form for each kind of exemption, shall ensure that the form requires an applicant to furnish the information necessary to determine the validity of the exemption claim. The form must require an applicant to provide the applicant's name and driver's license number, personal identification certificate number, or social security account number. The comptroller shall include on the forms a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The comptroller shall include, on application forms for exemptions that do not have to be claimed annually, a statement explaining that the application need not be made annually and that if the exemption is allowed, the applicant has a duty to notify the chief appraiser when the applicant's entitlement to the exemption ends.

Additional Resources:

Development Services

www.cctexas.com/developmentservices

Corpus Christi Regional Economic Development Corporation

www.ccredc.com