

# Williamson Central Appraisal District

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[www.wcad.org](http://www.wcad.org)

## 2017 Business Personal Property Rendition – General Information

If you own or operate a business as of January 1<sup>st</sup>, you are annually required by law to report personal property that is used in that business to your county appraisal district or a penalty will be imposed.

### **How to locate a form:**

**2017 ONLINE** – Online forms are available for those that have authorization codes indicated on the form mailed to you. For any other account, forms can be found on our website <https://forms.wcad.org> and may be returned by email at [renditions@wcad.org](mailto:renditions@wcad.org), hand delivered or mailed (US Postal postmark) to the address above. If you have any questions, please contact us at the above number or go to the website: [www.wcad.org](http://www.wcad.org).

### **Definition of Business Personal Property:**

Every kind of property that is not real property (can be moved without damage to itself or the associated real property) that is used to operate a business for the production of income. This includes furniture and fixtures, equipment, machinery, computers, vehicles, office supplies, inventory held for sale or rental, raw materials, finished goods and work in progress.

### **Rendition Filing Deadline:**

- **April 15, 2017:** - Deadline to file Business Personal Property Rendition or a letter requesting a 30-day extension.
  - If a 30-day extension letter has been timely filed, the new deadline will be **May 15, 2017**.
  - If the filing deadline falls on a weekend or holiday, then your filing deadline will be the next business day.

### **Exemption Application Filing Deadline:**

- **April 30, 2017:** - Deadline to file Pollution Control Exemption Application, Abatement Exemption Application, Freeport Goods Exemption Application and Goods-In-Transit Exemption Application, annually.
  - Deadline to file Mixed-Use Vehicle Exemption Application. If the vehicle already has a mixed-use exemption, then you do not need to file again.
  - If the filing deadline falls on a weekend or holiday, then your filing deadline will be the next business day.

### **Penalty for Failing to File or Filing a Late Rendition:**

Section 22.28 of the Texas Property Tax Code requires the chief appraiser to impose a 10 percent penalty (based on the total amount of taxes imposed) on businesses that fail to file or fail to file a timely Business Personal Property Rendition.

### **Owner Information:**

If the business has been sold or closed prior to January 1, 2017, report the new owner's name and address (if known) on Step 4 of the WCAD rendition.

According to the Texas Property Tax Code Section 22.26, a rendition must be signed (Step 6 of the WCAD rendition) by the owner or a person that manages and controls the property as a fiduciary on January 1, 2017. The rendition form does not have to be notarized if filed by the property owner or an employee of the property owner.

### **RENDITION REQUIREMENTS BASED ON PROPERTY VALUE**

All tangible business personal property to include all types of inventory, assets used for the production of income, vehicles and special equipment that are owned by the business are reported in Schedule B, C, D and E of the Business Personal Property Rendition.

For both the less than and greater than \$20,000 business total value categories, a person's good faith estimate of the market value of personal property is solely for the purpose of complying with the Property Tax Code's requirement to render business personal property. Good faith estimates of market value are inadmissible in any subsequent protest hearing or suit, and the Williamson Central Appraisal District is not obligated nor inclined to accept market value estimates.

**Total Value of Less than \$20,000** – If, in the owner's opinion, the market value of their business personal property is less than \$20,000, check the Under \$20,000 box located in Step 5 of the rendition, as well as reporting the good faith estimate of the market value in Schedule A. In addition, if any assets are owned by others, complete Schedule F. Proceed to and complete Step 6, Signature and Affirmation, to comply with the Texas Property Tax Code.

**Total Value of \$20,000 or Greater** – Unlike less than \$20,000 properties, the owner of business personal property having a value of \$20,000 or greater **must** complete all sections of the rendition. The Tax Code allows taxpayers the option of either (1) rendering original cost and year acquired information of the assets, or (2) rendering good faith estimates of the market value of the assets. If rendering original cost and year acquired data, enter that information in Schedule B, C, D, and E of the WCAD rendition. (Option 1 is the reporting method Williamson Central Appraisal District prefers for the purpose of equal and uniform appraisals.)

**Section 22.01 (1) Property Tax Code, effective January 1, 2008** – If the information contained in the most recent rendition statement filed by a person in a prior tax year is accurate with respect to the current tax year, the person may comply with the requirements of Subsection (a) by filing a rendition statement by checking the appropriate box to affirm that the information continues to be complete and accurate. The check box is located on the first page in Step 3.

**Section 22.01 c-1 Property Tax Code Effective January 1, 2014** - In this section:

- (1) “Secured party” has the meaning assigned by Section 9.102, Business & Commerce Code.
- (2) “Security interest” has the meaning assigned by Section 1.201, Business & Commerce Code.

**Section 22.01 c-2 Property Tax Code Effective January 1, 2014** - With the consent of the property owner, a secured party may render for taxation any property of the property owner in which the secured party has a security interest on January 1, although the secured party is not required to render the property by Subsection (a) or (b). This subsection applies only to property that has a historical cost when new of more than \$50,000.

**Section 22.01 d-1 Property Tax Code Effective January 1, 2014** - A secured party who renders property under Subsection (c-2) shall indicate the party’s status as a secured party and shall state the name and address of the property owner. A secured party is not liable for inaccurate information included on the rendition statement if the property owner supplied the information or for failure to timely file the rendition statement if the property owner failed to promptly cooperate with the secured party.

#### **ADDITIONAL INFORMATION**

**Section 11.253 (a) Property Tax Code, effective January 1, 2007** – Motor vehicles used for production of income and for personal activities: (a) an individual is entitled to an exemption from taxation of one motor vehicle owned by the individual that is used in the course of the individual’s occupation or profession and is also used for personal activities of the owner that do not involve the production of income. (b) In this section “motor vehicle” means a passenger car or light truck. Additional information can be found at the WCAD website.

**Section 22.07 (c) thru (e) Texas Property Tax Code** – the chief appraiser may request supporting information indicating how the value rendered was determined. You have 21 days from the date of the request to provide the requested data.

The statement must:

1. Summarize information sufficient to identify the property including the physical and economic characteristics relevant to the opinion of value, if appropriate, and the source of the information used;
2. State the effective date of the opinion of value; and
3. Explain the basis of the value rendered.

#### **Definitions - Business Personal Property :**

**Personal Property:** Every kind of property that is not real property; generally, property that is movable without damage to itself or the associated real property.

**Inventory:** Personal property that is held for sale to the public by a commercial enterprise.

**Type/Category:** Functionally similar personal property groups. Examples are: furniture, fixtures, machinery, equipment, vehicles, and supplies. Narrower groupings such as personal computers, milling equipment, freezer cases, and forklifts should be used, if possible.

**Estimate of Quantity:** For each type or category listed, the number of items, or other relevant measure of quantity (e.g., gallons, bushels, tons, pounds, board feet).

**Property Address:** The physical address of the personal property on January 1 of the current tax year. Normally, the property is taxable by the taxing unit where the property is located.

**Address Where Taxable:** In some instances, personal property that is only temporarily at its current address may be taxable at another location (taxable situs). If you know that this is the case, please list the address where taxable.

**Good Faith Estimate of Market Value:** Your best estimate of what the property would have sold for in U.S. dollars on January 1 of the current tax year if it had been on the market for a reasonable length of time and neither you nor the purchaser was forced to buy or sell. For inventory, it is the price for which the property would have sold as a unit to a purchaser who would continue the business.

**Historical Cost When New:** What you paid for the property when it was new, or if you bought the property used, what the original buyer paid when it was new. If you bought the property used, and do not know what the original buyer paid, state what you paid with a note that you purchased it used.

**Year Acquired:** The year that you purchased the property.

**Consigned Goods:** Personal property owned by another person that you are selling by arrangement with that person. If you have consigned goods, report the name and address of the owner in the appropriate blank.

**Fiduciary:** A person or institution who manages property for another and who must exercise a standard of care in such management activity imposed by law or contract.

*If the chief appraiser denies an exemption or an exemption applicable to a property on January 1 terminates during the tax year, you must file a rendition form within 30 days after the termination date. If you provide information substantially equivalent to a rendition to a company contracted with the appraisal district to appraise property, you are not required to file this rendition form. If your property is regulated by the Texas Public Utility Commission, Railroad Commission, the Federal Surface Transportation Board, or Federal Energy Regulatory Commission, you are not required to file this rendition. The chief appraiser may request a copy of the annual regulatory report.*