

The seal of the Texas Comptroller of Public Accounts is visible in the background. It features a central five-pointed star surrounded by a wreath of olive and oak branches. The words "THE COMPTROLLER OF PUBLIC ACCOUNTS" are inscribed around the perimeter of the seal, and "TEXAS" is at the bottom.

**Glenn Hegar**

Texas Comptroller of Public Accounts

# Vessel and Outboard Motor Dealer's Special Inventory

Instructions for Filing Forms  
and Paying Property Taxes

June 2015

By publishing this manual, the Comptroller of Public Accounts is providing general information. The information is provided as a public service and is intended to be used solely for informational purposes. This publication does not address all aspects of law applicable to vessel and outboard motor dealers' special inventory, and the Comptroller's office is not offering legal advice. The information contained in this manual neither constitutes nor serves as a substitute for legal advice. Questions regarding the meaning or interpretation of statutes, legal requirements and other matters should, as appropriate or necessary, be directed to an attorney or other appropriate counsel.

Dealers' vessel and outboard motor inventory laws are found primarily in Tax Code Sections 23.124, 23.125 and 23.126. You may view these sections in Tax Code Chapter 23.



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# Vessel and Outboard Motor Dealer's Special Inventory

For property tax purposes, Texas law requires that the market value of a dealer's vessel and outboard motor inventory is based on the total sales of the dealer's vessel and outboard motors in the prior year. Dealers must file with the county appraisal district a *Dealer's Vessel and Outboard Motor Inventory Declaration* form listing the total value of the inventory sold in the prior year except as provided by Tax Code Section 23.125(l). Also, the dealer must file with the county tax office a monthly form — the *Dealer's Vessel and Outboard Motor Inventory Tax Statement* — listing the vessels and outboard motors sold, and prepay their property taxes for each vessel and outboard motor.

## Definitions for Tax Code Section 23.124

1. "Chief appraiser" means the chief appraiser for the appraisal district in which a dealer's vessel and outboard motor inventory is located.
2. "Collector" means the county tax assessor-collector in the county in which a dealer's vessel and outboard motor inventory is located.
3. "Dealer" means a person who holds a dealer's and manufacturer's number issued by the Parks and Wildlife Department under the authority of Section 31.041, Parks and Wildlife Code, or is authorized by law or interstate reciprocity agreement to purchase vessels or outboard motors in Texas without paying the sales tax. The term does not include a person who is principally engaged in manufacturing vessels or outboard motors or an entity that is owned or controlled by such a person.
4. "Dealer's vessel and outboard motor inventory" means all vessels and outboard motors held for sale by a dealer.
5. "Dealer-financed sale" means the sale of a vessel or outboard motor in which the seller finances the purchase of the vessel or outboard motor, is the sole lender in the transaction, and retains exclusively the right to enforce the terms of the agreement evidencing the sale.
6. "Declaration" means the dealer's vessel and outboard motor inventory declaration form promulgated by the comptroller as required by this section.
7. "Fleet transaction" means the sale of five or more vessels or outboard motors from a dealer's vessel and outboard motor inventory to the same business entity within one calendar year.
8. "Outboard motor" has the meaning given it by Section 31.003, Parks and Wildlife Code.
9. "Owner" means a dealer who owes current year vessel and outboard motor inventory taxes levied against a dealer's vessel and outboard motor inventory.
10. "Person" means a natural person, corporation, partnership, or other legal entity.
11. "Sales price" means the total amount of money paid or to be paid for the purchase of:
  - A. a vessel, other than a trailer that is treated as a vessel, as set forth as "sales price" in the form entitled "Application for Texas Certificate of Number/Title for Boat/Seller, Donor or Trader's Affidavit" promulgated by the Parks and Wildlife Department;
  - B. an outboard motor as set forth as "sales price" in the form entitled "Application for Texas Certificate of Title for an Outboard Motor/Seller, Donor or Trader's Affidavit" promulgated by the Parks and Wildlife Department; or
  - C. a trailer that is treated as a vessel as set forth as "sales price" in the form entitled "Application for Texas Certificate of Title" promulgated by the Texas Department of Motor Vehicles.In a transaction involving a vessel, an outboard motor, or a trailer that is treated as a vessel that does not involve the use of one of these forms, the term means an amount of money that is equivalent, or substantially equivalent, to the amount that would appear as "sales price" on the Application for Texas Certificate of Number/Title for Boat/Seller, Donor or Trader's Affidavit, the Application for Texas Certificate of

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Title for an Outboard Motor/Seller, Donor or Trader's Affidavit, or the Application for Texas Certificate of Title if one of these forms were involved.

12. "Subsequent sale" means a dealer-financed sale of a vessel or outboard motor that, at the time of the sale, has been the subject of a dealer-financed sale from the same dealer's vessel and outboard motor inventory in the same calendar year.
13. "Total annual sales" means the total of the sales price from every sale from a dealer's vessel and outboard motor inventory for a 12-month period.
14. "Vessel" has the meaning given it by Section 31.003, Parks and Wildlife Code, except such term shall not include:
  - A. vessels of more than 65 feet in length, measured from end to end over the deck, excluding sheer; and
  - B. canoes, kayaks, punts, rowboats, rubber rafts, or other vessels under 14 feet in length when paddled, poled, oared, or windblown.The term "vessel" also includes trailers that are treated as vessels as defined in this section.
15. "Trailer treated as a vessel" means a vehicle that:
  - A. is designed to carry a vessel; and
  - B. is either a "trailer" or "semitrailer" as such terms are defined by Section 501.002, Transportation Code.

## Definitions for Tax Code Section 23.125

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1. "Aggregate tax rate" means the combined tax rates of all relevant taxing units authorized by law to levy property taxes against a dealer's vessel and outboard motor inventory.
2. "Chief appraiser" has the meaning given it in Section 23.124 of this code.
3. "Collector" has the meaning given it in Section 23.124 of this code.
4. "Dealer's vessel and outboard motor inventory" has the meaning given it in Section 23.124 of this code.
5. "Declaration" has the meaning given it in Section 23.124 of this code.
6. "Owner" has the meaning given it in Section 23.124 of this code.
7. "Relevant taxing unit" means a taxing unit, including the county, authorized by law to levy property taxes against a dealer's vessel and outboard motor inventory.
8. "Sales price" has the meaning given it in Section 23.124 of this code.

9. "Statement" means the dealer's vessel and outboard motor inventory tax statement filed on a form promulgated by the comptroller as required by this section.
10. "Subsequent sale" has the meaning given it in Section 23.124 of this code.
11. "Total annual sales" has the meaning given it in Section 23.124 of this code.
12. "Unit property tax factor" means a number equal to one-twelfth of the prior year aggregate tax rate at the location where a dealer's vessel and outboard motor inventory is located on January 1 of the current year.

## Dealer's Instructions

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### *Step 1 – A dealer files the Dealer's Vessel and Outboard Motor Inventory Declaration form*

The current year's tax bills received in October are based on the market value of the inventory and the current year's tax rates.

Complete the *Dealer's Vessel and Outboard Motor Inventory Declaration* form including:

- name and business address of each location at which the dealer owner conducts business;
- dealer and manufacturer's numbers issued by the Texas Parks and Wildlife Department;
- market value of the dealer's vessel and outboard motor inventory for the current tax year; and
- statement that the dealer owner is the owner of a dealer's vessel and outboard motor inventory.

Dealers must file declarations meeting the following schedule and criteria:

- file one declaration per year, not later than Feb. 1;
- file with the county appraisal district and send a copy to the county tax office; and
- if not in business on Jan. 1, file a declaration within 30 days of opening business.

The chief appraiser of the county appraisal district must report to the Texas Parks and Wildlife Department any dealer who fails to file a declaration or if a declaration reports that a dealer sold fewer than five vessels or outboard motors in a prior year.

### **Penalties**

A dealer who does not file a declaration by Feb. 1 of each year commits a misdemeanor offense punishable by a fine up to \$500 per day until filed. In addition to any other penalty provided by law, a dealer forfeits an additional penalty of

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\$1,000 for each month or portion of month that it is not filed. A tax lien can be attached to the dealer's business personal property to secure payment of the penalty.

### **Step 2 – A dealer files the Dealer's Vessel and Outboard Motor Inventory Tax Statement**

Each month, a dealer must file a separate inventory tax statement for each business location. All dealers must file a monthly statement regardless of whether or not the dealer owes vessel and outboard motor inventory tax for the current year. A dealer who owes no inventory tax for the current year because the dealer was not in business on Jan. 1 may not assign a unit property tax to a vessel and outboard motor sold by the dealer nor remit money with the statement unless pursuant to the terms of a contract.

Dealers must file statements meeting the following schedule and criteria:

- file by the 10th of each month following the reporting month;
- file with the county tax office, including a check for prepayment of taxes;
- send a copy of the form to the county appraisal district;
- if you do not sell a vessel or outboard motor during the month, you must file a tax statement indicating no sales;
- if not in business on Jan. 1, file each month, but do not send a prepayment of taxes; and
- retain documentation of each vessel and outboard motor sold.

A dealer must use the Comptroller's *Dealer's Vessel and Outboard Motor Inventory Tax Statement* which may include information the Comptroller's office deems appropriate and must include:

1. a description of each vessel and outboard motor sold;
2. the sales price of the vessel and outboard motor;
3. the unit property tax of the vessel and outboard motor, if any; and
4. the reason no unit property tax is assigned if no unit property tax is assigned.

### **Step 3 – A dealer makes a prepayment of taxes**

On or before the 10th day of each month, an owner is required to deposit with the collector the total unit property tax assigned to all vessels and outboard motors sold from the dealer's inventory in the prior month to which a unit property tax was assigned, together with the monthly statement. The

money is deposited by the collector in the owner's escrow account for prepayment of property taxes levied against the dealer's vessel and outboard motor inventory. An owner may not withdraw funds from the escrow account.

*Call the county tax assessor-collector or appraisal district for the unit property tax factor:* The unit property tax factor is calculated by dividing the aggregate tax rate by 12. If the aggregate tax rate is expressed in dollars per \$100 of valuation, divide by \$100 and then divide by 12. It represents one-twelfth of the preceding year's aggregate tax rate at the location where the inventory is located on Jan. 1 of the current year.

*Calculate the unit property tax:* The unit property tax of each vessel and outboard motor is determined by multiplying the sales price by the unit property tax factor.

*Assign a unit property tax:* Except for vessels and outboard motors sold to a dealer, included in a fleet transaction, or subject of a subsequent sale, an owner must assign a unit property tax to each vessel and outboard motor sold from a dealer's inventory.

### **Step 4 – On behalf of the dealer, the county tax collector pays the annual inventory taxes from the dealer's escrow account and bills the dealer for any additional amount due**

The assessors for the taxing units provide the collector a copy of the tax bill sent to the owner, usually in October or November. The collector applies the money in the owner's escrow account to the imposed taxes of each taxing unit in proportion to the amount of levied taxes. The owner receives a tax receipt for payment and an additional tax bill for any deficiency in the escrow account. The owner must pay the deficiency by Jan. 31 to avoid delinquency.

Not later than Feb. 15, the collector must distribute to the taxing units all funds collected and held in escrow.

### **Penalties**

A dealer who does not timely file the monthly tax statement by the 10th day of the following month commits a misdemeanor offense punishable by a fine up to \$100 per day until filed. In addition to any other penalty provided by law, a dealer forfeits an additional penalty of \$500 for each month or portion of a month that it is not filed. A tax lien can be attached to the dealer's business personal property to secure payment of the penalty. A dealer who fails to remit the taxes due pays a 5 percent late payment, with another 5 percent due if not paid within 10 days.

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## Agreement to pay current taxes by contract

A person who acquires the business or assets of an owner may, by contract, agree to pay the current year inventory taxes owed by the owner. The owner who owes the current year tax and the person who acquires the business or assets of the owner shall jointly notify the chief appraiser and the collector of the terms of the agreement and of the fact that the purchaser has agreed to pay the current year inventory taxes owed by the selling dealer. The chief appraiser and the collector shall adjust their records accordingly. A person who agrees to pay current year taxes is not required to file a declaration until the year following the acquisition. This does not relieve the selling owner of tax liability.

## Chief Appraiser and Collector Inspection of Documentation

A chief appraiser may examine the books and records of the holder of a dealer's and manufacturer's number issued by the Texas Department of Parks and Wildlife. A request must be made in writing, delivered personally to the custodian of the records; must provide a period not less than 15 days for the person to respond to the request; and must state that the person to whom it is addressed has the right to seek judicial relief from compliance with the request. In the request the chief appraiser may examine:

1. the document issued by the Texas Department of Parks and Wildlife showing the person's dealer's and manufacturer's number;
2. documentation appropriate to allow the chief appraiser to ascertain the applicability of Tax Code Section 23.124 and Tax Code Section 23.125 to the person;
3. sales records to substantiate information set forth in the dealer's declaration filed by the person.

A dealer who violates these provisions commits a misdemeanor offense not to exceed a \$500 fine a day.

A chief appraiser or collector may examine certain documents held by a dealer in the same manner, and subject to the same provisions, as set forth in Tax Code Section 23.124(g).

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## Confidential Information

A declaration or statement filed with a chief appraiser or collector as required by Tax Code Sections 23.124 or 23.125 is confidential and not open to public inspection. A declaration or statement and the information contained in either may not be disclosed to anyone except an employee of the appraisal office who appraises the property or to an employee of the county tax assessor-collector involved in the maintenance of the owner's escrow account. This confidential information may be disclosed in the following ways:

1. in a judicial or administrative proceeding pursuant to a lawful subpoena;
2. to the person who filed the declaration or statement or to that person's representative authorized by the person in writing to receive the information;
3. to the Comptroller or an employee of the Comptroller authorized by the Comptroller to receive the information;
4. to a collector or chief appraiser;
5. to a district attorney, criminal district attorney or county attorney involved in the enforcement of a penalty imposed pursuant to Tax Code Sections 23.124 or 23.125;
6. for statistical purposes if in a form that does not identify specific property or a specific property owner; or
7. if and to the extent that the information is required for inclusion in a public document or record that the appraisal or collection office is required by law to prepare or maintain.

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## Questions

- For specific questions on the declaration form, call the local county appraisal district.
- For specific questions on the monthly tax statement form, call the local county tax office.
- For general questions, contact the Comptroller's Property Tax Assistance Division by telephone at 1-800-252-9121 (enter 2 to access the menu and then press 1 to contact the Information Services Team). You may also email questions to [ptad.cpa@cpa.texas.gov](mailto:ptad.cpa@cpa.texas.gov).



# Dealer's Vessel and Outboard Motor Inventory Declaration

Property Tax  
**Form 50-259**

**CONFIDENTIAL**

Year \_\_\_\_\_

Send Original to: Appraisal District Name and Address \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Send copy to: County Tax Office and Address \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

**This document must be filed with the appraisal district office and the county tax assessor-collector's office in the county in which your business is located. Do not file this document with the office of the Texas Comptroller of Public Accounts. Location and address information for the appraisal district office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/cad](http://comptroller.texas.gov/propertytax/references/directory/cad). Location and address information for the county tax assessor-collector's office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/tac](http://comptroller.texas.gov/propertytax/references/directory/tac).**

**GENERAL INSTRUCTIONS:** This declaration is for a dealer of vessels and outboard motors to declare vessel and outboard motor inventory pursuant to Tax Code Section 23.124. File a declaration for each business location.

**WHERE TO FILE:** This declaration, and all supporting documentation, must be filed with the appraisal district office in the county in which your business is located. A copy of each declaration must be filed with the county tax assessor-collector's office.

**DECLARATION DEADLINES:** Except as provided by Tax Code Section 23.125(l), a declaration must be filed not later than Feb. 1 of each year or, in the case of a dealer who was not in business on Jan. 1, not later than 30 days after commencement of the business.

**PENALTIES:** A dealer who fails to file a declaration commits a misdemeanor offense punishable by a fine not to exceed \$500. Each day during which a dealer fails to comply is a separate violation. In addition to other penalties provided by law, a dealer who fails to file or timely file a required declaration must forfeit a penalty of \$1,000 for each month or part of a month in which a declaration is not filed or timely filed after it is due. A tax lien attaches to the dealer's business personal property to secure payment of the penalty.

## OTHER IMPORTANT INFORMATION

The chief appraiser and collector may examine the books and records of a dealer as provided by Tax Code Section 23.124(g) and 23.125(f).

### STEP 1: Dealer Information

Name of Dealer \_\_\_\_\_

Mailing Address \_\_\_\_\_

City, State, ZIP Code \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Name of Person Preparing this Application \_\_\_\_\_

Title \_\_\_\_\_

### STEP 2: Business Information

Attach a list with the name and business address of each location at which you conduct business and each of the dealer's and manufacturer's numbers issued by the Texas Parks and Wildlife Department (TPWD).

### STEP 3: Business Location of Declared Inventory

Provide the business name, TPWD dealer's and manufacturer's numbers, and physical business address of the business location for the inventory you are declaring in this form. Provide the appraisal district account number if available or attach a tax bill or copy of appraisal or tax office correspondence concerning your account.

Name of Business \_\_\_\_\_

TPWD Dealer's and Manufacturer's Number \_\_\_\_\_

Address, City, State, ZIP Code \_\_\_\_\_

Appraisal District Account Number (if known) \_\_\_\_\_

Business Start Date, if Not in Business on Jan. 1 \_\_\_\_\_

The Property Tax Assistance Division at the Texas Comptroller of Public Accounts provides property tax information and resources for taxpayers, local taxing entities, appraisal districts and appraisal review boards.

For more information, visit our website:  
[comptroller.texas.gov/taxinfo/proptax](http://comptroller.texas.gov/taxinfo/proptax)

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# Dealer's Vessel and Outboard Motor Inventory Declaration

## STEP 4: Breakdown of Sales and Sales Amounts

Breakdown of units sold for the previous 12-month period corresponding to the prior tax year. If you were not in business for the entire 12-month period, report the units sold for the months you were in business. See last page for additional instructions.

Vessel and Outboard Motor Inventory	Fleet Transactions	Dealer Sales	Subsequent Sales
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Breakdown of sales amounts for the previous 12-month period corresponding to the prior tax year. If you were not in business for the entire 12-month period, report the sales amounts for the months you were in business.

\$	\$	\$	\$
Vessel and Outboard Motor Inventory	Fleet Transactions	Dealer Sales	Subsequent Sales

## STEP 5: Market Value of your Inventory

State the market value of the inventory for the current tax year as computed under Tax Code Section 23.124. Market value is total annual sales from the dealer's inventory less sales to dealers, fleet transactions, and subsequent sales for the previous 12-month period corresponding to the prior tax year divided by 12. Total annual sales is the total of the sales price from every sale from the inventory for a 12-month period. If you were not in business for the entire 12-month period, report the sales for those months you were in business and the chief appraiser will determine the inventory's market value.

Vessel and Outboard Motor Inventory Sales for Prior Year	÷ 12 =	Market Value for Current Tax Year
\$ _____		_____

## STEP 6: Signature and Date

By signing this declaration, you certify that the dealer identified in Step 1 is the owner of a dealer's vessel and outboard motor inventory.

**print here** ➔

Print Name	Title
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**sign here** ➔

Authorized Signature	Date
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If you make a false statement on this report, you could be found guilty of a Class A misdemeanor or state jail felony under Penal Code Section 37.10.

For more information, visit our website: [comptroller.texas.gov/taxinfo/proptax](http://comptroller.texas.gov/taxinfo/proptax)

## Additional Instructions

**Step 4: Breakdown of units and sales amounts.** Complete the boxes on units sold and sales amounts for the preceding year. The top row of boxes is the number of units sold in each category. The bottom row of boxes is the dollar amount sold in each category. The categories include:

- **Vessel and outboard motor inventory** – the sale of watercraft used or capable of being used for transportation on water that are not more than 65 feet in length (vessels) and the sale of self-contained internal combustion propulsion systems which are used to propel vessels and which are detachable as a unit from the vessel (outboard motors). The term “vessel” also includes a vehicle that is designed to carry watercraft and is either a “trailer” or “semitrailer” as defined by Transportation Code Section 501.002(23) and (29). The term “vessel” does not include watercraft of more than 65 feet in length; or a seaplane on water; or canoes, kayaks, punts, rowboats, rubber rafts, or other vessels under 14 feet in length when paddled, poled, oared, or windblown. This category does not include a fleet transaction, dealer sale, or subsequent sale, each of which is defined below. [See, Tax Code Sections 23.124(a)(8), (14), (15); and Parks and Wildlife Code, Section 31.003.]
- **Fleet transaction** – the sale of five or more vessels or outboard motors from a dealer’s vessel and outboard motor inventory to the same business entity within one calendar year. [Tax Code Section 23.124(a)(7).]
- **Dealer sale** – the sale from a dealer’s vessel and outboard motor inventory to another dealer, that is, a person who holds a dealer’s and manufacturer’s number issued by the Parks and Wildlife Department under the authority of Parks and Wildlife Code Section 31.041, or is authorized by law or interstate reciprocity agreement to purchase vessels or outboards motors in Texas without paying the sales tax. The term does not include the manufacturer of vessels or outboard motors. [See, Tax Code Section 23.124(a)(3).]
- **Subsequent sale** – a dealer-financed sale of a vessel or outboard motor that, at the time of the sale, has been the subject of a dealer-financed sale from the same dealer’s vessel and outboard motor inventory in the same calendar year. [Tax Code Section 23.124(a)(12).]



# Dealer's Vessel and Outboard Motor Inventory Tax Statement

Property Tax  
**Form 50-260**

**CONFIDENTIAL**

Reporting Month \_\_\_\_\_

Year \_\_\_\_\_

Page \_\_\_\_\_ of pages \_\_\_\_\_

Send Original with Payment to: County Tax Office Name and Address \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Send Copy to: Appraisal District Name and Address \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

This document must be filed with the county tax assessor-collector's office and the appraisal district office in the county in which your business is located. Do not file this document with the office of the Texas Comptroller of Public Accounts. Location and address information for the county tax assessor-collector's office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/tac](http://comptroller.texas.gov/propertytax/references/directory/tac). Location and address information for the appraisal district office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/cad](http://comptroller.texas.gov/propertytax/references/directory/cad).

**GENERAL INSTRUCTIONS:** This inventory tax statement must be filed by a dealer of vessel and outboard motor inventory pursuant to Tax Code Section 23.125. This statement is filed together with an amount equal to the total amount of the unit property tax assigned to all vessels and outboard motors sold in the preceding month. File a separate statement for each business location and retain documentation.

**WHERE TO FILE:** This document and prepayment of taxes must be filed with the county tax assessor-collector's office. A copy of each statement must be filed with the appraisal district office.

**STATEMENT DEADLINES:** Except as provided by Tax Code Section 23.125(g), a statement and prepayment of taxes must be filed on or before the 10th day of each month.

**PENALTIES:** A dealer who fails to file or timely file a statement commits a misdemeanor offense punishable by a fine not to exceed \$100 with each day that the dealer fails to comply a separate violation. In addition to other penalties provided by law, a dealer who fails to file or timely file a statement must forfeit a penalty of \$500 for each month or part of a month in which a statement is not filed or timely filed after it is due. A tax lien attaches to the dealer's business personal property to secure payment of the penalty. In addition to other penalties provided by law, an owner who fails to remit unit property tax due must pay a penalty of 5 percent of the amount due. If the amount due is not paid within 10 days after the due date, the owner must pay an additional 5 percent of the amount due. Unit property taxes paid on or before Jan. 31 of the year following the date on which they are due are not delinquent.

## OTHER IMPORTANT INFORMATION

The chief appraiser or collector may examine documents held by a dealer in the same manner and subject to the same conditions as provided by Tax Code Section 23.124(g) and 23.125(f).

### STEP 1: Dealer Information

Name of Dealer \_\_\_\_\_

Mailing Address \_\_\_\_\_

City, State, ZIP Code \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Name of Person Completing Statement \_\_\_\_\_

Title \_\_\_\_\_

### STEP 2: Business Location Information

Provide the appraisal district account number if available or attach a tax bill or copy of appraisal or tax office correspondence concerning your account. Provide the dealer's and manufacturer's numbers issued by the Texas Parks and Wildlife Department (TPWD).

Name of Business \_\_\_\_\_

Address, City, State, ZIP Code \_\_\_\_\_

Account Number \_\_\_\_\_

TPWD Dealer's and Manufacturer's Numbers \_\_\_\_\_

The Property Tax Assistance Division at the Texas Comptroller of Public Accounts provides property tax information and resources for taxpayers, local taxing entities, appraisal districts and appraisal review boards.

For more information, visit our website:  
[comptroller.texas.gov/taxinfo/proptax](http://comptroller.texas.gov/taxinfo/proptax)  
50-260 • 05-15/10



**STEP 4: Units Sold and Sales Amount**

**Breakdown of Units Sold for Reporting Month**

\_\_\_\_\_ Vessel and Outboard Motor Inventory      \_\_\_\_\_ Fleet Transactions      \_\_\_\_\_ Dealer Sales      \_\_\_\_\_ Subsequent Sales

**Breakdown of Sales Amounts for Reporting Month**

\$ \_\_\_\_\_ Vessel and Outboard Motor Inventory      \$ \_\_\_\_\_ Fleet Transactions      \$ \_\_\_\_\_ Dealer Sales      \$ \_\_\_\_\_ Subsequent Sales

**STEP 5: Signature**

**print here** ▶

\_\_\_\_\_ Print Name      \_\_\_\_\_ Title

**sign here** ▶

\_\_\_\_\_ Authorized Signature      \_\_\_\_\_ Date

If you make a false statement on this report, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code Section 37.10.

## Additional Instructions

**1 Type of Sale:** Place one of the following codes by each sale reported:

**VM – vessel and outboard motor inventory** – the sale of watercraft used or capable of being used for transportation on water that is not more than 65 feet in length (vessels) and the sale of self-contained internal combustion propulsion systems which are used to propel vessels and which are detachable as a unit from the vessel (outboard motors). The term “vessel” also includes a vehicle that is designed to carry watercraft and is either a “trailer” or “semitrailer” as defined by Transportation Code Section 501.002(23) and (29). The term “vessel” does not include watercraft of more than 65 feet in length; or a seaplane on water; or canoes, kayaks, punts, rowboats, rubber rafts, or other vessels under 14 feet in length when paddled, poled, oared, or windblown. This category does not include a fleet transaction, dealer sale, or subsequent sale, each of which is defined below. Only this type of sale has a unit property tax (see below). [See, Tax Code Sections 23.124(a)(8), (14), (15); and Parks and Wildlife Code, Section 31.003.]

**FL – fleet transaction** – the sale of five or more vessels or outboard motors from a dealer's vessel and outboard motor inventory to the same business entity within one calendar year. [Tax Code Section 23.124(a)(7).]

**DL – dealer sale** – the sale from a dealer's vessel and outboard motor inventory to another dealer, that is, a person who holds a dealer's and manufacturer's number issued by the Parks and Wildlife Department under the authority of Parks and Wildlife Code Section 31.041, or is authorized by law or interstate reciprocity agreement to purchase vessels or outboard

motors in Texas without paying the sales tax. The term does not include the manufacturer of vessels or outboard motors. [See, Tax Code Section 23.124(a)(3).]

**SS – subsequent sale** – a dealer-financed sale of a vessel or outboard motor that, at the time of the sale, has been the subject of a dealer-financed sale from the same dealer's vessel and outboard motor inventory in the same calendar year. [Tax Code Section 23.124(a)(12).]

**2 Sales Price:** The price as set forth on the “Application for Texas Certificate of Number/Title, for Boat/Seller, Donor or Trader's Affidavit” for a vessel, the “Application for Texas Certificate of Title for an Outboard Motor/Seller, Donor or Trader's Affidavit” for an outboard motor, or the “Application for Texas Certificate of Title” for a trailer treated as a vessel, or the price that would appear if those forms were used.

**3 Unit Property Tax:** To compute, multiply the sales price by the unit property tax factor. For fleet, dealer and subsequent sales that are not included in the vessel and outboard motor inventory, the unit property tax is \$-0-. Contact either the county tax assessor-collector or county appraisal district for the current unit property tax factor. The unit property tax factor is calculated by dividing the prior year aggregate tax rate by 12. If the aggregate tax rate is expressed in dollars per \$100 of valuation, divide by \$100 and then divide by 12. It represents one-twelfth of the preceding year's aggregate tax rate at the location. If no unit property tax is assigned, state the reason.

**4 Total Unit Property Tax for This Month:** Enter the total amount of unit property tax. This is the total amount of unit property tax that will be submitted with the statement to the collector.

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