

Section 22.26 of the Property Tax Code states:

- (a) Each rendition statement or property report required or authorized by this chapter must be signed by an individual who is required to file the statement or report.
- (b) When a corporation is required to file a statement or report, an officer of the corporation or an employee or agent who has been designated in writing by the board of directors or by an authorized officer to sign in behalf of the corporation must sign the statement or report

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

If you fail to file a rendition or property report required by Texas Law, the chief appraiser must impose a penalty in an Amount equal to 10 percent of the total taxes due on the property for the current year. If the court determines that you filed a false rendition or report with the intent to commit fraud or to evade the tax or you alter, destroy, or conceal any record, document, or thing or present to the chief appraiser any altered or fraudulent record, document, or thing, or otherwise engage in fraudulent conduct for the purpose of affecting the outcome of an inspection, investigation determination, or other proceeding before the appraisal district, the chief appraiser must impose an additional penalty equal to 50 percent of the total taxes due on the property for the current year.

DEFINITIONS

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 box.

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 of contract.

Some Q&A About the Business Personal Property Rendition Statute

Since adoption, the Texas Property Tax Code required that business owners file an annual rendition statement listing their business personal property. Because the Property Tax Code did not penalize a taxpayer who failed to file, many property owners opted to not file.

Senate Bill 340 was passed by the Legislature in 2003 and took effect January 1, 2004. Adoption of this bill brings many changes to the laws related to business personal property renditions. The following are some frequently asked questions and answers about these changes:

Who must file a rendition report?

A person who owns tangible personal property used for the production of income, or who manages or controls such property as an authorized agent, must file a report annually.

What are the filing deadlines?

The rendition statement must be filed between **JANUARY 1** and **APRIL 15** each tax year. By written request, an automatic extension to May 15, may be obtained. The chief appraiser may further extend the deadline an additional 15 days if the property owner files a written request showing a good cause reason for the additional extension.

What must the rendition statement contain?

- Property owner's name and address
- description of the property by type or category
- description and quantity of each type of inventory
- property's physical location or taxable situs
- property owner's option of providing either a "good faith estimate" of market value or historical cost new and year of acquisition of individual items

Are there any exceptions to this reporting requirement?

Exempt property does not have to be rendered, unless it becomes taxable. For property that in the Owner's opinion has an aggregate value of less than \$20,000, the owner may file a simplified statement containing only the owner's name and address, general description of the property by type of category and the physical location or taxable situs of the property. Properties regulated by the Texas Public Utility Commission, Railroad Commission, Federal Surface Transportation Board or the Federal Energy Regulatory Commission are already subject to reporting requirements. These reports along with information sufficient to allocate value to appropriate tax units may suffice for meeting the new requirements.

Can the appraisal district request additional information?

Yes. The chief appraiser may request a statement of supporting information indicating how the property owner determined the value rendered. This statement must summarize information identifying the property, including the source of the information reported. If the owner provided a "good faith" value estimate, the statement must summarize the physical and economic characteristics relevant to their opinion of value. It must also state the effective date of the opinion and explain the basis of the value rendered. Businesses with 50 or fewer employees may base the value estimate on its federal tax depreciation schedules.

What happens if someone files late or not at all?

A property owner, who fails to file a timely rendition statement, may be assessed a **PENALTY** of **10%** of the total taxes imposed on the property for the tax year. If the property owner fails to file a rendition and subsequently files a notice of protest, the owner bears the burden of proof at the Appraisal Review Board hearing.

Can there be any other penalties?

Yes. SB 340 imposes a penalty of 50% of the total amount of tax imposed on the property for the tax year if a court finally determines that a person filed a false statement with intent to commit fraud or evade tax. A 50% penalty is also imposed if a person alters, destroys, or conceals a record, a document, or otherwise engages in fraudulent conduct for the purpose of affecting the course or outcome of an inspection, investigation, determination, or other proceeding before the appraisal district.

Are these statements confidential?

Yes. The legislature did not change the status governing confidentiality of rendition statements and supporting statements. SB 340 does not prohibit a chief appraiser from using the rendition and supporting statement as a part of the evidence presented in a protest before the Appraisal Review Board. In this case, it does become part of the public record.

What if it is determined that some property escaped taxation in past years?

Normally, if it is determined that some property was not on the tax roll in the past, the chief appraiser has the obligation to add it to the appraisal roll as omitted property. The chief appraiser may add omitted business personal property for the current year and the two previous years.