

Freeport Goods

A property owner may be entitled to an exemption from taxation of the appraised value of that portion of the person's inventory or property consisting of Freeport goods.

This exemption does not apply to a taxing unit that took action to tax the property. SJR11, approved by the voters on November 1989 added section 1–J to Article VIII of the Texas Constitution. This section provides that goods, wares, ores, merchandise and other tangible personal property can qualify for the exemption if they meet certain criteria.

In order to qualify, these items must be acquired in or imported into this State to be forwarded outside this State, the property is detained in this State for assembling, storing, manufacturing, processing or fabricating purposes by the person who acquired or imported the property. Most importantly, the property must be transported outside the state within 175 days after the date the person acquired or imported the property into this State.

This application covers property the person owned on January 1 of the year. The property owner must establish eligibility for the Freeport exemption by filing an annual application. All information required by the form must be provided. The application deadline is April 30 of the year for which the exemption is sought.

The person must apply for the exemption each year to claim entitlement.

The chief appraiser may request an applicant to provide books and records which support the amount and value of Freeport goods. If the applicant fails to deliver the information within 30 days after the chief appraiser mails the request, he forfeits his right to claim or receive the exemption for that year.