

What is Business Personal Property Tax?

Business Personal Property tax is an ad valorem tax on the tangible personal property that is used for the production of income. The State of Texas has jurisdiction to tax personal property if the property is:

1. Located in the state for longer than a temporary period.
2. Temporarily located outside the state and the owner resides in this state.
3. Used continually, whether regularly or irregularly in the state.

(Note: Property is considered to be used continually, whether regularly or irregularly, in this state if the property is used in this state three or more times on regular routes or for three or more completed assignments occurring in close succession throughout the year.)

What is a rendition for Business Personal Property?

A rendition is a form that provides information about property that you own. The Appraisal District uses the information you provide to appraise your property for taxation.

If you own a business, you are required by law to report to your county Appraisal District all personal property that is used in that business. There are substantial penalties for failure to report or for falsification and tax evasion. The Edwards Central Appraisal District has prepared this document to assist you in complying with this very important law.

Who must file a rendition?

Renditions must be filed by:

1. Owners of tangible personal property that is used for business purposes or to produce an income.
2. Owners of tangible personal property on which an exemption has been cancelled or denied.

What types of property must be rendered?

For taxation purposes, there are two basic types of property: real property (land, buildings, and other items attached to land) and personal property (property that can be owned and is not permanently attached to the land or building such as inventory, furniture, fixtures, equipment and machinery). **Business owners are required by State law to render personal property that is used in a business or used to produce income.** This property includes furniture and fixtures, equipment, machinery, computers, inventory held for sale or rental, raw materials, finished goods, and work in process. You are **not** required to render intangible personal property (property that can be owned but does not have a physical form) such as cash, accounts receivable, goodwill, application computer software, and other similar items. If your organization has previously qualified for an exemption that applies to personal property, for example, a religious or charitable organization exemption, you are not required to render the exempt property. **Rendering personal property does not change your property to commercial. Appraisal Districts assess property at highest and best use.**

Is my information confidential?

Yes, Information contained in a rendition cannot be disclosed to third parties except in very limited circumstances. In addition, the Texas Property Tax Code specifically provides that any estimate of value you provide is not admissible in proceedings other than a protest to the Appraisal review Board (ARB) or court proceedings related to penalties for failure to render. The final value we place on your property is public information, but the rendered property list as well as the rendition form itself is not.

What happens if I do not file a rendition, or file it late?

If you do not file a rendition, the appraised value of your property will be based on an appraiser's **estimate** using comparable business types. In addition, if you fail to file your rendition before the deadline or you do not file it at all, a penalty equal to 10% of the amount of taxes ultimately imposed on the property will be levied against you. There is also a 50% penalty if a court finds you engaged in fraud or other actions with the intent to evade taxes.

If I cannot file the rendition on time, what should I do?

The law provides for an extension of time to file a rendition. In order to receive the extension, you must submit the request to the Edwards Central Appraisal District in writing before the April 15 rendition filing deadline. With the receipt of a timely extension request, the rendition filing deadline will be extended to May 15.

What do I do if the Chief Appraiser requests an explanatory statement from me?

If you provide a good faith estimate of market value instead of original cost and acquisition date for any items, the Chief Appraiser may request an explanatory statement from you. The Chief Appraiser must make the request in writing, and you must provide the statement within 20 days of the date you receive the request. The explanatory statement must set out a detailed explanation of the basis for the estimate(s) of market value given in your rendition. The statement must include adequate information to identify the property. It must describe the physical and economic characteristics of the property that are relevant to its market value. It must also give the source (s) of information used in valuing the property and explain the basis for the value estimate.

What if the Appraisal District values my property at a higher amount than what I render?

You will receive a Notice of Appraised Value in late May or early June. **If you disagree with the value placed on your property by the Appraisal District, please contact the Edwards Central Appraisal District immediately.** You may also wish to file a protest with the Appraisal Review Board. The protest must be filed by the deadline date indicated on the Notice. Once a timely protest is received, you will be scheduled for a hearing before the Appraisal Review Board. At your Appraisal Review Board hearing, you will be asked to provide documentation for the basis of your opinion of value.

More Questions?

If you have any further questions, please feel free to contact the Edwards Central Appraisal District and they will be able to help you in any way they can.