FISHER COUNTY APPRAISAL DISTRICT

GUIDE TO PERSONAL PROPERTY RENDITION

Senate Bill 340, passed in the 2003 regular legislative session, took effect January 1, 2004. This Bill made sweeping changes to the laws concerning renditions of business assets for property tax purposes. If you own a business, you are <u>required</u> by this law to report personal property that is used in that business to the county appraisal district. There are substantial penalties for failure to report or for falsification and tax evasion. Fisher County Appraisal District has prepared this document to assist you in complying with this law.

What is a rendition? 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.

Who has to render? (1.) Owners of tangible personal property that is used for the production of income.

- (2.) Owners of property on which an exemption has been cancelled or denied.
- (3.) Owners who have been formally notified by the chief appraiser that they must render.

What kinds of property must be rendered? For taxation purposes, your property is classified as either real property (land, buildings, and other items attached to the land) or personal property (items that can be owned but are not attached to the land). Personal property that you use to produce income – or for business purposes – must be rendered unless the total value of all of the personal property is \$500 or less. This 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 (items that can be owned but do not have a physical form, such as cash, accounts receivable, goodwill, custom computer software, and other similar items).

Which forms will you need to file? Most businesses will need to file the general business personal property rendition form. If you own business vehicles, you will also need form 22.15-VEH. There are additional special forms if your business owns aircraft, pipe stock, or vessels. In addition, there are specific forms for cable company and industrial plant assets. Call the appraisal office at 325-776-2733 if you have questions about these special forms.

When must the rendition be filed? The last day to file your rendition is April 15 of the tax year. If you mail it, it must be postmarked on or before April 15. If you hand deliver it or use a private delivery service such as federal express, it must be physically received in our office before the close of business on April 15. If your property must be rendered because the chief appraiser has denied or cancelled an exemption, you must render it within 30 days of the date the chief appraiser denies or cancels the exemption.

Where must the rendition be filed? Renditions for property located in Fisher County Appraisal District must be filed with Fisher County Appraisal District. The mailing address is P O Box 516, Roby, TX 79543. The street address of the appraisal office is107 E North 1st Street, Roby, TX 79543. If your property is appraised by two or more appraisal districts, you must file renditions before the deadline in BOTH appraisal district offices.

<u>Is your information confidential?</u> Yes. Information contained in a rendition cannot be disclosed to third parties except in very limited circumstances. In addition, the code specifically provides that any estimate of value you provide is not admissible in proceedings other than a protest to the ARB or court proceedings related to penalties for failure to render. The final value placed on your property is public information, but your rendition is not.

What do you have to file if your personal property is valued at less than \$20,000? Unless your total business personal property assets are valued at less than \$500, you will have to file at least the general rendition form. However, you will only be required to fill out a short table generally describing your assets and giving their location.

What information is required for the rendition? Depending on the type of property and its value, you can expect to provide the following information: location, general description, quantity of items, good faith estimate of market value, original cost, and date of acquisition.

<u>How should you estimate market value?</u> Publications that provide value information on assets are helpful tools in estimating market value. For example, there are numerous publications on vehicles and computer equipment that provides a range of value information for these assets. You must use a value that would reflect the assets worth near January 1 of the tax year.

What is market value? The price at which a property would transfer for cash or its equivalent under prevailing market conditions if: (a.) exposed for sale in the open market with a reasonable time for a seller to find a buyer; (b.) both the seller and the buyer know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of any enforceable restrictions on its use; and (c.) both the seller and the buyer seek to maximize their gains and neither is in a position to take advantage of the circumstances of the other. ***For inventory, market value is defined as "the price for which it would sell as a unit to a purchaser who would continue the business.

What are the penalties for failure to comply? If you fail to file your rendition before the deadline or you do not file it at all, the penalty is equal to 10% of the amount of taxes ultimately imposed on the property. If a court determines that you have committed fraud or done other acts with the intent of evading taxes on the property, a penalty equal to 50% of the taxes ultimately imposed on the property will be levied. The appraisal district imposes and collects this penalty. It will not appear on your tax bill.

If you can't file on time, what should you do? The law provides for two extensions of time. If you make the request in writing before the deadline, the chief appraiser MUST automatically extend your deadline to May 15, If you provide good cause and need a little extra time, the chief appraiser MAY further extend the deadline to May 30.

What are your rights if a penalty is assessed against you? If a penalty is assessed against you, you can file a request for a waiver of the penalty. You must file the request in writing with the chief appraiser within 30 days after you receive the notice that the penalty has been imposed. Your request must include documentation showing that either you substantially complied with the rendition law or that you made a good faith effort to do so. The chief appraiser is required by law to consider your request and the information you provide and must notify you in writing of the decision. If the chief appraiser declines to waive a penalty and you have made a timely request for waiver, you may protest the imposition of the penalty to the appraisal review board.

<u>Can you report all your properties on one rendition?</u> If the appraisal district has already set up accounts covering your property, you should file a rendition corresponding to each account. If the appraisal district does not have accounts set up for your property, it is generally best to file a rendition applicable to each location where your property is kept.

For more information, contact the Fisher County Appraisal District by calling 325-776-2733.