



# RUSK COUNTY APPRAISAL DISTRICT

P.O. BOX 7 – HENDERSON, TEXAS 75653-0007  
(903) 657-3578 FAX (903) 657-9073

January 1, 2008

Re: 2007 Freeport Exemption Application and Associated Forms

Dear Applicant:

Enclosed is your Freeport exemption application and associated forms for the 2008 tax year. Section 11.43 of the Texas Property Tax Code requires that even though you previously received the exemption you must file an annual application for each year the entitlement is claimed.

**In addition to completing and returning the exemption application, please include the enclosed Freeport Worksheet and Freeport Exemption Documentation Affidavit along with copies of the original records and source documents of the owner used to complete the forms for this account's specific location. These records and documents may include, but are not limited to: balance sheets, income statements, inventory controls, audit reports, bills of lading, and any other source document used. If the requested information is not provided at the time of application, exemption approval may be delayed or denied.**

To avoid a late-approval penalty the completed exemption application must be filed with the Rusk County Appraisal District no later than Wednesday April 30<sup>th</sup>, 2008. You may file a late application up to midnight the day before the Appraisal Review Board approves the appraisal records for the year (which will be in July). See Texas Property Tax Code Section 11.4391 for penalties that may result.

If you have any questions or concerns, please contact Weldon Cook, Director of Personal Property at 903-657-3578, ext #14.

Sincerely,  
Weldon Cook, Director of Personal Property, RPA, CCA  
Rusk County Appraisal District

Enc: Freeport Exemption Application  
Freeport Worksheet  
Freeport Exemption Documentation Affidavit



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**APPLICATION FOR EXEMPTION OF  
 GOODS EXPORTED FROM TEXAS**  
 ("Freeport Exemption")

OWNER  
 NAME

BUSINESS  
 NAME

MAILING  
 ADDRESS

PHONE  
 NUMBER

**INSTRUCTIONS:** This exemption applies to items in your inventory on January 1 (or September 1 of last year, if applicable) that (1) are or will be forwarded out of Texas within 175 days of the date you acquire them or bring them into Texas and (2) are in Texas for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purpose. The exemption does not apply to oil, natural gas or to liquid gases that are immediate derivatives of refining oil or natural gas. The amount of the goods in transit exemption for this year is normally based on the percentage of your inventory made up by such goods last year. This application covers property you owned on January 1 of this year (or September 1 of the preceding year if you receive September 1 inventory appraisal). You must file the complete form between January 1 and no later than April 30 of this year. You may file a late application up to midnight the day before the appraisal review board approves the appraisal records for this year. Approval usually occurs in July. If you do file a late application and your application is approved, you must pay a penalty equal to 10% of the tax savings resulting from the Freeport exemption. Be sure to attach any additional documents requested. You must apply for the exemption in each year you claim entitlement.

Step 1 Owner's name and address	Owner's name			
	Current mailing address (number and street)			
	City, state, ZIP Code		Phone	
	Name of person preparing this application	Driver's License, Personal Id or SSI Number	Title	
Step 2 Describe the property	Appraisal district account number	Give appraisal roll account number if available or attach tax bill or copy of appraisal or tax office correspondence concerning this account. If unavailable, give the street address which the property is located.		
	Location of inventory (street address, city ZIP Code)			
	Give a general description of the types of items in this inventory. (additional sheets if necessary)			
Step 3 Answer these questions about your property	<p><i>For the purposes of this application, "inventory" means your inventory of finished goods, supplies, raw material and work in process.</i></p> <p>Will portions of this inventory be transported out of state this year? Yes _____ No _____</p> <p>Have you applied for appraisal of your inventory on September 1? Yes _____ No _____</p> <p>Were portions of your inventory transported out of this state throughout last year? Yes _____ No _____</p> <p>If "NO", give the months during which portions of your inventory were transported out of the state last year.</p>			
	1. Give the total cost of goods sold for the entire year ending December 31, _____	\$ _____		
	2. Give the total cost of goods sold that were shipped out of Texas within 175 days of the date you acquired them or brought them into Texas last year, less the cost of any goods, raw materials or supplies incorporated into them that were not eligible for the Freeport exemption or were in Texas more than 175 days.	\$ _____		
	3. On what types of records do you base the amounts given above? (check as many as apply)			
	____ Audited financial statements	____ Sales records	____ Internal reports	____ Bills of lading
	____ Texas franchise tax reports	____ Other (describe) _____		
	4. Percentage of last year's inventory value represented by freeport goods (divide 2 by 1)			%
	5. Will the percentage of goods transported out of Texas this year be significantly different than the percentage transported out last year?	___ Yes	___ No	
	6. If "YES", why?			
	7. What was the market value of your inventory on January 1 of this year (or September 1 of last year, if you have qualified for September 1 inventory appraisal)?			\$
8. What is the value of the inventory you claim will be exempt this year?			\$	
Step 4 Sign the form	<p><b>NOTE:</b> The chief appraiser may require you to provide records to support the statements in this application. If so, you must supply the records within 30 days of the date of the written request. If you do not do so, you forfeit the right to receive the exemption for this year.</p> <p>I certify that the information in this document and all attachments is true and correct to the best of my knowledge and belief.</p>			
	sign here	Date		
	Title			
<p>Under the Texas Penal code, Section 37.10, if you make a false statement on this application, you could receive a jail term of up to 1 year and a fine of up to \$3000, or community correctional facility confinement of up to 1 year, or a prison term of 2 to 10 years and a fine of up to \$10,000.</p>				



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## Freeport Worksheet

Business Name

Account Number

### 1. Inventory Turn Calculation:

(A) Enter Total Cost of Goods Sold (NOT SALES) during the previous Calendar Year. = \$ \_\_\_\_\_

(B) Enter month ending Inventory Cost for each Calendar Month (ROUND TO NEAREST DOLLAR)

JAN \$ \_\_\_\_\_ APR \$ \_\_\_\_\_ JUL \$ \_\_\_\_\_ OCT \$ \_\_\_\_\_

FEB \$ \_\_\_\_\_ MAY \$ \_\_\_\_\_ AUG \$ \_\_\_\_\_ NOV \$ \_\_\_\_\_

MAR \$ \_\_\_\_\_ JUN \$ \_\_\_\_\_ SEP \$ \_\_\_\_\_ DEC \$ \_\_\_\_\_

(C) Sum of January through December month ending Inventories = \$ \_\_\_\_\_

(D) Average Annual Inventory

\$ \_\_\_\_\_ (C) divided by 12 months = \$ \_\_\_\_\_

(E) Inventory Turns

\$ \_\_\_\_\_ (A) divided by \$ \_\_\_\_\_ (D) = \_\_\_\_\_ turns (E)

\_\_\_\_\_ 365 days divided by \_\_\_\_\_ turns (E) = \_\_\_\_\_ days (1)

**IF ITEM (1) IS GREATER THAN 175, THE FREEPORT EXEMPTION CANNOT BE GRANTED**

2. Enter Cost of Goods (NOT SALES) shipped from the State of Texas during the previous calendar year within 175 days of the date acquired or brought into Texas

\$ \_\_\_\_\_ (2)

3. Freeport percentage calculation:

\$ \_\_\_\_\_ (2) divided by \$ \_\_\_\_\_ (1.A) = \_\_\_\_\_ % (3)

4. Enter January 1 Inventory Cost:

\$ \_\_\_\_\_ (4)

5. FREEPORT INVENTORY CALCULATION:

\$ \_\_\_\_\_ (4) multiplied by \_\_\_\_\_ % (3) = \$ \_\_\_\_\_ (5)  
**EXEMPT INVENTORY**

### \*\*\*IMPORTANT INFORMATION\*\*\*

- All data furnished from accounting records must be for calendar year
- This worksheet DOES NOT CONSTITUTE accounting records documentation
- Items 1(A) -1(B) -2 & 4 MUST BE PROVEN BY COPIES OF ACCOUNTING RECORDS
- Items 1(A) -2 -3 -4 & 5 MUST BE ENTERED ON THE APPLICATION
- Please attach a copy of this worksheet to the documentation furnished



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**Freeport Exemption Documentation Affidavit**

I certify pursuant to the provisions of Section 37.01 and section 37.10 of the Texas Penal Code that the following document(s), consisting of \_\_\_\_\_ page(s) and described as \_\_\_\_\_,

is / are a complete and accurate reflection of the official books and records of this company as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company Name

**SUBSCRIBED AND SWORN before me on this \_\_\_\_\_ day of \_\_\_\_\_,**  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Type or Print Name

*My commission expires* \_\_\_\_\_ **Date**

**Business Personal Property  
PO Box 7  
Henderson, Texas 75653  
Phone: (903) 657-3578 Fax: (903) 657-9073**