



## Angelina County Appraisal District

### **Guide to Personal Property Rendition**

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

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#### **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?**

There are three categories of taxpayers who must render:

- Owners of tangible personal property that is used for the production of income (see below)
- Owners of property on which an exemption has been cancelled or denied
- 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 land) or personal property (items that can be owned but are not attached to 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. If your organization qualifies 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.

Effective in tax year 2007, you may qualify for an exemption from ad valorem taxation for one passenger car or light truck that is owned by an individual and used by that individual for both professional and personal activities. Vehicles that are individually owned and used for the transportation of passengers for hire would NOT be eligible for this exemption. To request this exemption for 2010, your application must be filed with the appraisal district on, or before, April 30, 2010. If you mail the form, it must be postmarked no later than midnight April 30, 2010. The individual who has been granted or has applied for this exemption for the 2009 tax year is not required to render the vehicle for 2010. The application form is available by contacting our office.

**Which form will I need to file?**

For Angelina County Appraisal District, most businesses will need to file the general rendition form 50-144.

**When must the rendition be filed?**

Normally, the last day to timely file your rendition is April 15. If you mail the rendition, 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 Angelina County Appraisal District must be filed with ACAD. The mailing address for the general rendition forms is Angelina County Appraisal District, P. O. Box 2357, Lufkin, TX 75902. The street address for ACAD's office is 418 N. Second Street, Lufkin, TX 75902.

**If my business personal property assets are exactly the same as reported in my prior year rendition, do I still need to render?**

Yes. If your personal property assets on January 1, were exactly the same as those assets contained in your most recent rendition statement you have filed with the appraisal district, then all you need to do is check the affirmation box on page 1, then complete the Signature and Affirmation box at the bottom of page 1.

**What will the appraisal district do with my rendition?**

Your rendition will be analyzed and used, along with other information we collect on similar businesses, to develop an estimate of value for your property.

**Is my information confidential?**

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 we place on your property is public information, but your rendition is not.

**What do I have to file if my 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 you own and its value, you can expect to provide the following information:

***Location***

You will need to give the address where the property was located on January 1. If the property was in transit on January 1 or is regularly used in more than one location, you should provide additional information about the property's normal location and circumstances on January 1.

### ***General description***

A general description should give enough information to identify the property and distinguish it from other items that you own. At minimum, you should identify the major categories of personal property that you own, using the same terminology you would use in reporting to the internal revenue service. You have the option of providing an itemized listing of the various assets in any category. For vehicles, you will need to provide the plate and VIN number, as well as the year, make, and model.

### ***Quantity of items***

If you own an inventory of items that you hold for sale or rental, you will need to provide an estimate of the quantity of each type of item that you hold in inventory. Again, you can provide an itemized list if you prefer for any category.

### ***Good faith estimate of market value***

The appraisal district will estimate the market value of your items on the basis of your rendition and other information in its possession. Under the rendition law, you must include in your rendition either a good faith estimate of the market value of your items or the historical cost and acquisition date (discussed below) of the items, if the value of your items are \$20,000 or more. If you choose to give a market value estimate, you should be aware that there are several different definitions of market value that may apply. For items other than inventory, market value is defined as follows:

“Market value” means 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 the seller to find a purchaser;
- (B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and the enforceable restrictions on its use; and
- (C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other. (Sec. 1.04, Texas Tax Code)

For inventory, market value is defined by the tax code as “the price for which it would sell as a unit to a purchaser who would continue the business.” Sec. 23.12, Texas Tax Code.

### ***Original Cost***

Instead of providing a good faith estimate of market value, you may provide the original cost and date you acquired the property. Original cost (the code uses the term “historical cost when new”) refers to the amount you paid to acquire the property. Your cost would include transportation and any other necessary expenses incurred in acquiring the property. If you purchased a used item, you should note on the form that you purchased it used and give the amount you paid.

### ***Date of acquisition***

Date of acquisition is simply the date you bought or acquired ownership of the property.

**What are the penalties for failure to comply?**

There are two levels of penalties for failure to comply. If you fail to file your rendition or explanatory statement 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 penalty will be a separate line item on your tax bill.

**If I can't file on time, what should I do?**

If you need more time to complete your rendition, you have the right to an automatic extension to May 15, and a further 15-day extension if you show good cause, but you must file an extension form in writing. The May 15 extension form must be mailed or delivered no later than April 15. If you need the additional extension for good cause, that form must be mailed or delivered no later than May 15.

**What if the appraisal district values my property at a higher amount than what I render?**

You may file a protest with the appraisal review board.

**Can I fax my rendition?**

No. In order to be considered timely filed, your rendition must either be physically delivered to the district prior to the deadline or mailed to the district and postmarked on or before the deadline.

**Can I E-mail my rendition?**

The Angelina County Appraisal District is not equipped to handle electronic submissions at this time.

For more information, contact the Angelina County Appraisal District at 936-634-8456, ext. 111. The district's website is [www.angelinacad.org](http://www.angelinacad.org)