

Guide to Business Personal Property Rendition Form

Introduction

Effective January 1, 2004, Section 22.01, of the Texas Property Tax Code enforces the legal requirement that all business owners must annually report all tangible business personal property used for the production of income in Texas to the Appraisal District. There are substantial penalties for failure to report such property and/or the falsification of information, including tax evasion. The Webb County Appraisal District has prepared this guide to assist business owners in complying with this new law requirement.

What is a Rendition Form?

- A Rendition is a form that a business owner may use to provide information about the business. The Appraisal District uses the information the business provides to appraise the property for taxation.

Who must file a Rendition Form?

- A person who owns tangible personal property used for the production of income.
- A person who manages or controls such property as an authorized agent.
- A person who has been formally notified by the Chief Appraiser to submit a rendition form.

What must the Rendition form contain?

- Business Property owner's name and address
- The physical location or taxable situs of the business
- Description of the property by type or category
- Description and quantity of each type of inventory (same as Internal Revenue Service)
- For vehicles the VIN number, year, make and model
- Property owner may provide either a "good faith estimate" of market value or historical (original) cost data and year of acquisition of individual items.

What kinds of property must be rendered?

- For taxation purposes, all property is classified as either **Real Property** (land, buildings, and other attachments to land) or **Personal Property** (items used for the production of income)

- **Business personal property that a business uses to produce income must be rendered.** This includes furniture, fixtures, equipment (office and shop), machinery, computers, copiers, motor vehicles, aircraft, inventory held for sale, rent, or on consignment, raw materials, goods in process, finished goods and/or those awaiting sale and/or distribution must be rendered.

When must the Rendition be filed?

- The rendition form and/or property reports must be filed/delivered after January 1 and no later than April 15 each year. On written request by the property owner the Chief Appraiser shall extend the deadline to May 15. The Chief Appraiser may further extend the deadline to an additional 15 days upon good cause shown in writing by the property owner.

How can a Rendition Form be obtained?

- As a courtesy, the Appraisal District mails rendition forms to businesses on the Appraisal District's records. If a business owner does not receive a form, it is his or her responsibility to contact the Webb County Appraisal District Business Personal Property Department at (956) 718-4091.

Can a Rendition be filed electronically?

- Yes, a rendition can be filed electronically at bpp@webbcad.org

Is the information on a Rendition confidential?

- Yes. Information contained in a Rendition Form and attachments and any other information the property owner provides to the Appraisal District in connection with the appraisal of the property will be held confidential and not open to public inspection.

Can the Appraisal District request additional information?

- Yes. The Chief Appraiser may request a statement of supporting information indicating how the property owner determined the value rendered. The statement must summarize information reported and the effective date the property was appraised. If the owner provided a "good faith" value estimate, the statement must summarize the physical and economic characteristics relevant to the owner's determination of value. If the business owner has 50 employees or fewer, the owner may base the estimate on depreciation schedules used for federal income tax purposes. The owner must deliver the statement (in writing or electronically) with 21 days of the request.
- The statement is inadmissible in administrative or judicial proceedings, except to:
 - Determine compliance with this section
 - Find whether there was an effort to evade taxes
 - Determine if documents were falsified
 - Decide the owner's protest before an appraisal review board.

What happens if someone files late or not at all?

- There are two levels of penalties

Penalty of Failure to file and for Failure to Timely File

1. If a business property owner **fails to timely file a Rendition before the deadline**, the Chief Appraiser shall certify to the Tax Assessor/Collector for each taxing unit in the Appraisal District that imposes taxes on the business and/or property **a penalty in the amount equal to 10% of the amount of taxes imposed that year.**

Penalty for Fraud or Intent to Evade Taxation

2. The Chief Appraiser shall also, impose an additional penalty equal to 50% of the amount of taxes imposed on the business property owner who files a false statement or report with the intent to commit fraud; to evade the tax; engage in fraudulent conduct; for the purpose of affecting the course or outcome of an inspection, investigation, determination, or other proceeding before the Appraisal District. Enforcement of this section shall be by a proceeding initiated by the District Attorney or County Attorney of the county on behalf of the Appraisal District

What if a penalty is assessed?

- If a penalty is assessed, the business property owner may file a request for a waiver of the penalty. The request must be filed in writing within 30 days after the notice is received that the penalty has been imposed. The request must also include documentation showing that the business property owner either substantially complied with the rendition law or made a good faith effort to do so. The documentation should also address the following;
 1. The compliance history with respect to paying taxes and filing statements or reports
 2. The type, nature, and taxability of the specific property involved
 3. The type, nature, size, and sophistication of the business
 4. The completeness of the business records
 5. The business property owner reliance on advise provided by the Appraisal District that may have contributed to the failure to comply and the imposition of the penalty
 6. Any change in the appraisal's district policy during the current or preceding tax year that may affect how property is rendered and
 7. Any other factor that may have caused the business property owner the failure to timely file a rendition statement or report.

- The Chief Appraiser may waive the penalty if it is determined that the business property owner exercised reasonable diligence to comply or has substantially complied with rendition requirements. The owner must request the waiver in writing accompanied by supporting documentation stating the grounds on which penalties should be waived no later than the 30th day after the date the business property owner receives the notification of the imposition of the penalty. The Chief Appraiser shall make the determination of the waiver of the penalty based on the information submitted. The business property owner is entitled to protest before the Appraisal Review Board the failure or refusal of the Chief Appraiser to waive a penalty.

What happens if the request to waive the penalty is not filed on time?

- If the business property owner fails to file the written statement on time, a penalty in the amount equal to 10% of the amount of taxes imposed on the property for that year by the taxing units will be imposed.

What if the Appraisal District values are higher than the amount that was rendered?

- If you disagree with the Appraisal District value, you have the right to protest before the Appraisal Review Board (ARB). To receive a hearing, you must file a written notice of protest prior to the protest deadline indicated on the "Notice of Appraised Value" that is mailed annually. Failure to timely protest the appraised value may limit the owner's rights.

For more information, contact the Webb County Appraisal District's Business Personal Property Department at 3302 Clark Blvd. Laredo, Texas 78043 (956) 718-4091 or you may visit the State Comptroller's website www.window.state.tx.us