Dealer's Motor Vehicle Inventory Declaration

CONFIDENTIAL

Year

Send Original to: Appraisal District Name and Address

Phone *(area code and number)*

Send Copy to: County Tax Office and Address

Phone *(area code and number)*

GENERAL INSTRUCTIONS: This declaration is for a dealer of motor vehicles to declare motor vehicle inventory pursuant to Tax Code Section 23.121. File a declaration for each business location.

ALTERNATIVE ELECTION: Effective Jan. 1, 2014, certain dealers of motor vehicle inventory may elect to file renditions under Tax Code Chapter 22, rather than file declarations and tax statements under Tax Code Chapter 23. Tax Code Section 23.121(a)(3) allows a dealer to make this election if it (1) does not sell motor vehicles that are self-propelled and designed to transport persons or property on a public highway; (2) meets either of the following two requirements: (a) the total annual sales from the inventory, less sales to dealers, fleet transactions, and subsequent sales, for the preceding tax year are 25 percent or less of the dealer's total revenue from all sources during that period, or (b) the dealer did not sell a motor vehicle to a person other than another dealer during the preceding tax year and the dealer estimates that the dealer's total annual sales from the dealer's motor vehicle inventory, less sales to dealers, fleet transactions and subsequent sales, for the 12-month period corresponding to the current tax year will be 25 percent or less of the dealer's total revenue from all sources during that period; (3) files with the chief appraiser and the tax collector by Aug. 31 of the tax year preceding Jan. 1 on a form prescribed by the Comptroller a declaration that the dealer elects not to be treated as a dealer under Tax Code Section 23.121 in the current tax year; AND (4) renders the dealer's motor vehicle inventory in the current tax year by filing a rendition with the chief appraiser in the manner provided by Tax Code Chapter 22. A dealer who makes this election must file the election annually with the chief appraiser and the tax collector by Aug. 31 of the preceding tax year, so long as the dealer meets the eligibility requirements of law.

FILING INSTRUCTIONS: This document and all supporting documentation must be filed with the appraisal district office and the county tax assessor-collector's office in the county in which the business is located. Do not file this document with the Texas Comptroller of Public Accounts. A directory with contact information for appraisal district and tax offices may be found on the Comptroller's website.

DECLARATION DEADLINES: Except as provided by Tax Code Section 23.122(l), a declaration must be filed not later than Feb. 1 of each year or, in the case of a dealer who was not in business on Jan. 1, not later than 30 days after commencement of the business. A dealer is presumed to have commenced business on the date of issuance of a dealer's general distinguishing number as provided by Transportation Code Chapter 503. Notwithstanding this presumption, a chief appraiser may, at his or her sole discretion, designate another date on which a dealer commenced business.

PENALTIES: A dealer who fails to file a declaration commits a misdemeanor offense punishable by a fine not to exceed $500. Each day during which a dealer fails to comply is a separate violation. In addition to other penalties provided by law, a dealer who fails to file or timely file a required declaration must forfeit a penalty of $1,000 for each month or part of a month in which a declaration is not filed or timely filed after it is due. A tax lien attaches to the dealer's business personal property to secure payment of the penalty.

OTHER IMPORTANT INFORMATION

The chief appraiser may examine the books and records of a dealer as provided by Tax Code Section 23.121(g).

STEP 1: Dealer Information

Name of Dealer

Mailing Address

City, State, ZIP Code

Phone *(area code and number)*

Name of Person Preparing this Application

Title

STEP 2: All Business Locations and General Distinguishing Numbers

Attach a list with the name and business address of each location at which you conduct business and each of the dealer's general distinguishing numbers issued by the Texas Department of Motor Vehicles.

STEP 3: Business Location Information

Provide the business name, general distinguishing number, physical address of the business location and account number for the inventory being declared or you may attach a tax bill or a copy of appraisal or tax office correspondence concerning your account.

Name of Business

General Distinguishing Number of Location

Address, Street, City, State, ZIP Code

Account Number *(if known)*

Business Start Date, if Not in Business on Jan. 1

STEP 4: Number of Units Sold and Sale Totals

Number of units sold for the previous 12-month period corresponding to the prior tax year. If you were not in business for the entire 12-month period, report the sales for the months you were in business. See the last page for additional instructions.

Motor Vehicle Inventory | Fleet Transactions | Dealer Sales | Subsequent Sales

Sales amounts for the previous 12-month period corresponding to the prior tax year. If you were not in business for the entire 12-month period, report the sales for the months you were in business.

$ Motor Vehicle Inventory | $ Fleet Transactions | $ Dealer Sales | $ Subsequent Sales

STEP 5: Market Value of Motor Vehicle Inventory

State the market value of the motor vehicle inventory for the current tax year, as computed under Tax Code Section 23.121. Market value is total annual sales less sales to dealers, fleet transactions and subsequent sales, from the dealer's motor vehicle inventory for the previous 12-month period corresponding to the prior tax year divided by 12. Total annual sales is the total of the sales price from every sale from a dealer's motor vehicle inventory for a 12-month period. If you were not in business for the entire 12-month period, report the total number of sales for the months you were in business. The chief appraiser will determine the inventory's market value.

$ Dealer's Motor Vehicle Inventory Sales for Prior Year ÷ 12 = Market Value for Current Tax Year

STEP 6: Signature and Date

By signing this declaration, you certify that the dealer identified in Step 1 is the owner of a dealer's motor vehicle inventory.

On Behalf of *(name of dealer)*

print here Print Name | Title

sign here Authorized Signature | Date

If you make a false statement on this report, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code Section 37.10.

Additional Instructions

Step 4. Number of units sold and sale totals. The top row of boxes is the number of units sold for the preceding year in each category. The bottom row of boxes is the dollar amount sold for the previous year in each category. The categories include:

- **Motor vehicle inventory** – sales of motor vehicles. A motor vehicle is a fully self-propelled vehicle with at least two wheels which has the primary purpose of transporting people or property (whether or not intended for use on a public street, road or highway) and includes a towable recreational vehicle. Motor vehicle does not include: 1. Vehicles with a certificate of title that has been surrendered in exchange for a salvage certificate; nor 2. equipment or machinery designed and intended for a specific work-related purpose other than transporting people or property. Motor vehicle inventory does not include fleet transactions, dealer sales or subsequent sales.
- **Fleet transaction** – motor vehicles included in the sale of five or more motor vehicles from your inventory to the same person within one calendar year.
- **Dealer sales** – sales of vehicles to another Texas dealer or a dealer who is legally recognized in another state as a motor vehicle dealer.
- **Subsequent sale** – dealer-financed sale of a motor vehicle that, at the time of sale, has been the subject of dealer financing from your motor vehicle inventory in the same calendar year.