

# COMAL APPRAISAL DISTRICT

900 S. SEGUIN AVENUE  
NEW BRAUNFELS, TX 78130  
(830) 625-8597

## Business Personal Property FAQs

### **What is Business Personal Property?**

Business personal property is composed of fixed assets and inventory. Business personal property includes, but is not limited to, furniture, equipment, tools, machinery, computers, copiers, motor vehicles, raw materials, goods in process, finished goods (awaiting sale or distribution), and inventory held for sale on consignment. Please note: If you use your own personal tools, machinery, equipment, vehicles or any other item, gadget or thing to produce a product or provide a service and receive income, those items are included in the appraisal assessment.

### **Who must file a rendition?**

A person who owns tangible personal property used for the production of income that the person owns or manages and controls as a fiduciary on January 1.

### **Do I have to file a Rendition Form for my business?**

Yes, Renditions are due April 15<sup>th</sup>. A penalty of 10% of the tax liability will be imposed for failure to file a timely rendition.

### **What is a rendition for Business Personal Property?**

A rendition is a form that provides the appraisal district with the description, location, cost and acquisition dates or a "Good Faith Estimate of Value" for business personal property that you own. The appraisal district uses the information to help estimate the market value of your property for taxation purposes.

The Texas Property Tax Code does not require Appraisal Districts to mail out renditions. Comal AD does this as a service, but it is the responsibility of the taxpayer to complete and submit a rendition each year. You can find the rendition form on our [website](#).

### **What must the rendition statement contain?**

Property owner's name and address

Description of the property by type or category (fixed assets)

Description and quantity of each type of inventory

Property's physical location or taxable situs

Property owner's option of providing either a "good" faith estimate of market value or historical cost new and year of acquisition of individual items

Property owner's signature or signature of employee or tax agent

### **My business has an aggregate value less than \$20,000. Must I complete all of this complicated form?**

If the total fair market value of your business assets, including any vehicles, inventory, supplies, are less than \$20,000, you may check the under \$20,000 box in Step 5. You have two options:

**Option 1** is to fill out Schedule A, and where applicable, Schedule F.

**Option 2** is to fill out Schedule C and E and, where applicable, B, C, D and F.

### **What if I move or sell my business during the year?**

The tax liability on business personal property is determined as of January 1 of each tax year. Therefore the property is taxed according to its location and ownership as of January 1.

### **What if I close my business during the year, will my taxes be prorated?**

No, the taxes will be assessed for the entire year.

### **Is leased equipment taxable?**

Yes, it is taxable to the owner of the property as of January 1 of the tax year. Operational leases of equipment or vehicles are reported on Schedule F. Note: If the lease is a capital lease, you may be responsible for reporting the asset. If you take depreciation on your federal tax return, then you must report the asset in either Schedule A or Schedule E unless your lease contract states that the asset will be reported by the lessor (Lease Company).

### **Is my business taxable if I operate it from my home?**

Yes, all business assets, regardless of location, are taxable.

### **How do I determine Original Cost?**

To determine original cost, refer to your accounting records, such as original journal entries and account ledgers. Use original purchase documents, such as invoices or purchase orders, to determine the original cost of the asset. Add all costs attributed to getting the asset functioning, such as freight and set-up cost.

### **What is Inventory? What does that include?**

Merchandise (goods in the hands of a wholesaler or retailer that is ready for sale), raw materials, finished goods and work in process. Inventory should be reported at your cost.

### **What kind of supplies should be reported?**

Supplies are typically items that are expensed in your business throughout the year such as office supplies, business cards, shop supplies, etc. You will need to provide the actual or estimated cost supplies that were on hand as of January 1.

### **May I use my bookkeeping records as my rendition?**

Yes. Attach these records to the rendition, sign and date it and then return it to our office. Include asset listings with the date of acquisition and original cost. All assets owned by the business must be rendered.

## **If all my business personal property has already been depreciated out according to Federal Income Tax Laws, is my business still taxable?**

Yes, if your business personal property is still in use and used to generate income, your business personal property is taxable.

## **What if I don't have business assets to report?**

All businesses have some taxable assets, from desks and chairs, a computer, and/or supplies.

## **What happens if I do not file a rendition, or file it late?**

If you do not file a rendition, the appraised value of your property will be based on an appraiser's estimate by comparing business types and conducting field inspections. In addition, if you fail to file your rendition before the deadline or you do not file it at all, a penalty equal to 10% of the amount of taxes ultimately imposed on the property will be levied against you. There is also a 50% penalty if a court finds you engaged in fraud or other actions with the intent to evade taxes. If you fail to file a rendition and subsequently file a protest, you bear the burden of proof at the Appraisal Review Board hearing.

## **When and where must the rendition be filed?**

The last day to file your rendition is April 15<sup>th</sup> annually. If you mail your rendition, it must be postmarked on or before April 15<sup>th</sup>. You may hand deliver your rendition to our office on or prior to April 15<sup>th</sup>. You may also fax or e-mail your rendition on or prior to April 15<sup>th</sup>.

You may mail or deliver your renditions to the Comal Appraisal District:

900 S. Seguin Ave, New Braunfels TX 78130

Fax: (830) 625-8598

E-mail: [cadbpp@co.comal.tx.us](mailto:cadbpp@co.comal.tx.us)

## **If I cannot file the rendition on time, what should I do?**

The law provides for a 30 day extension of time to file a rendition if the taxpayer makes the request in writing on or prior to April 15<sup>th</sup>.

## **Does a non-profit organization automatically receive a property tax exemption for Business Personal Property owned by the organization?**

No, often organizations mistakenly believe they are entitled to a property tax exemption because they have received a federal income tax exemption under Section 501(c) (3) of the Internal Revenue Code or an exemption from State sales taxes. The constitution requirements for property tax exemptions are different than the provisions covering income and sales taxes. A non-profit organization may qualify for a total exemption from property taxes, but they must apply for the exemption by April 30.

## **Can I receive a copy of last year's rendition form?**

These forms are confidential. Per Sec. 22.27 of the Property Tax Code, disclosure is only permitted to the person who filed the statement or report, or the owner of the property subject to the statement, report or information, or the agent authorized to receive the information.

**I rendered my business personal property last year and nothing has changed. Do I still need to fill out the rendition form?**

Yes. The Texas Property Tax Code requires you to file a Business Personal Property rendition form each year. If nothing has changed from the previous year, you may fill out Step 1, Step 2, Step 3, and Step 6 and return the form.