



## Guide to Business Personal Property Rendition

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

### 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 a notarized rendition stating that the total value of all of the personal property, in each entity and location is less than \$125,000, eff. Jan 1, 2026. The Chief Appraiser and BPP Appraiser may investigate a business entity to determine whether the Total Appraised Value is less than \$125,000 in value, per entity, per location.** 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.

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 are NOT eligible for this exemption.

To request this exemption, your application must be filed with the appraisal district on, or before, April 30. If you mail the form, it must be postmarked no later than midnight April 30. The individual who has been granted or has applied for this exemption is not required to render the vehicle for the year in which the exemption has been applied for or granted. The application is available at [www.shelbycad.com](http://www.shelbycad.com) under forms. It is called “Vehicle Personal Use Application Form”.

### Which forms will I need to file?

For Shelby County Appraisal District, most businesses will need to file the general rendition. If you own business vehicles or aircraft that travel outside of Texas and would like to apply for a mileage or departure allocation, you will also need to submit Form 50-147. Call our office at (936) 598-6171 if you have questions about these forms.

### When must the rendition be filed?

Normally, the last day to timely file your rendition is April 15th. If you mail the rendition or send it by a contract carrier such as UPS or FedEx, it must be postmarked or bear a receipt mark on or before April 15th. If you hand deliver it, SCAD must physically receive in our office before the close of business on April 15th. When your property needs to be rendered because the chief appraiser has denied or canceled 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 Shelby County Appraisal District must be filed with SCAD. The mailing address for the general rendition forms is Shelby County Appraisal District, Business Personal Property Department, 724 Shelbyville Street, Center, Texas 75935. The rendition form is also available in a "fill-in" form on the appraisal district's website at [www.shelbycad.com](http://www.shelbycad.com). This form can be filled out electronically and then submitted.

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

Yes. Per Texas Property Tax Code Section 22.01(L), if your personal property assets on January 1<sup>st</sup>, 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 in Step 3 on page one on your rendition form. After checking the affirmation box in Step 3, complete the Signature and affirmation in Step 6 on page 2. A copy of the previous year's asset listing should also be included.

**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 Tax 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 and the new exemption?**

Regarding the NEW BPP Exemption law from HB 9, Tax Code Section 11.145 exempts BPP up to \$125,000.

However, there is still an option to select if your property is either less than \$20,000 or more than \$20,000 in addition to the new option of less than \$125,000 or more than \$125,000. If you select either "less than" option, you will only be required to fill out a short table generally describing your assets and giving their location in section A of the rendition.

**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<sup>st</sup>. If the property was in transit on January 1<sup>st</sup>, 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<sup>st</sup>.

***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 assets 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 of 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 Property 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 Property Tax Code. If your business has 50 or fewer employees, you may base your estimate of value on federal income tax depreciation schedules. You will need to be prepared to defend your estimate and explain how it was developed.

#### ***Original cost (Preferred Method)***

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 Texas Property Tax 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.

#### **How should I determine original cost?**

To determine original cost, you need to 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. You need to add all cost that is attributed to getting the asset functioning, such as freight and set-up cost.

#### **Should I include fully depreciated or expensed assets on my rendition?**

Yes. The rendition should include assets that have been fully depreciated on your books and assets which were expensed rather than capitalized for income tax purposes, so that all tangible personal property used for the production of income is reported.

#### **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. Fraud could also result in criminal prosecution.

#### **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 request in writing, an extension to May 15th, and a further 15-day extension if you show good cause. You

must complete and mail the extension request form. The May 15th extension request form must be mailed or delivered no later than April 15<sup>th</sup>. If you need the additional extension for good cause, that request form must be mailed or delivered no later than May 15th.

#### **How do I find out whether the appraisal district received my rendition on time?**

Call our office at (936) 598-6171. Please provide your account number and the name of your business, they can enter it into our system and inform you of the date your rendition was received.

#### **What are my rights if a penalty is assessed against me?**

If a penalty is assessed against you, you can file a request for a waiver of the penalty. You must file the request in writing with the chief appraiser within 30 days after you receive the notice that the penalty has been imposed. Your request must include documentation showing either that you substantially complied with the rendition law or that you made a good faith effort to do so. The documentation should also address:

- (1) your 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 person's business or other entity for which property is rendered;
- (4) the completeness of your records;
- (5) your reliance on advice provided by the appraisal district that may have contributed to your failure to comply and the imposition of the penalty;
- (6) any change in appraisal district policy during the current or preceding tax year that may affect how property is rendered; and
- (7) any other factors that may have caused you to fail to timely file a statement or report. The chief appraiser is required by law to consider these factors and notify you in writing. If the chief appraiser declines to waive a penalty and you have made a timely request for waiver, you may protest the imposition of the penalty to the appraisal review board. The board may waive the penalty if it finds that you substantially complied with the rendition law or made a good faith effort to do so.

#### **When can the chief appraiser request an explanatory statement from me?**

If you provide a good faith estimate of market value instead of original cost and acquisition date for any items, the chief appraiser may request an explanatory statement from you. The chief appraiser must make the request in writing, and you must provide the statement within 21 days of the date you receive the chief appraiser's request.

**What must I include in an explanatory statement?** The explanatory statement must set out a detailed explanation of the basis for the estimate(s) of market value given in your rendition. The statement must include adequate information to identify the property. It must describe the physical and economic characteristics of the property that are relevant to its market value. It must give the source(s) of information used in valuing the property and explain the basis for the value estimate.

**What happens if I don't file my statement on time?**

If you don't file your statement on time, a penalty equal to **10% of the amount of taxes** on the property will be imposed. There is also a **50% penalty** if a court finds you engaged in fraud or other actions with intent to evade taxes. You have the same waiver and appeal rights discussed above.

**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 report all my properties on one rendition?**

If the appraisal district has already set up accounts covering your property, you should file a rendition corresponding to each account. If the district does not have accounts set up for your property, it is generally best to file a rendition applicable to each location where your property is kept. For example, if you own three separate convenience stores, file three renditions, one for each store.

**Can I request an extension to file the rendition?**

Yes. See what to do if you can't file on time, above.

**If I can't file by the extension deadline, what should I do?**

You should file your rendition as soon as you can and include with it a request for waiver of penalty and explanation of your reasons for missing the deadline as described above. If you receive a notice from the chief appraiser regarding the imposition of a penalty, be sure to file the request for waiver within 30 days of the date you receive it.

For more information, contact Shelby County Appraisal District at (936) 598-6171. The appraisal district's website is [www.shelbycad.com](http://www.shelbycad.com).