



# Dealer's Vessel and Outboard Motor Inventory Declaration

Property Tax  
**Form 50-259**

**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)

**This document must be filed with the appraisal district office and the county tax assessor-collector's office in the county in which your business is located. Do not file this document with the office of the Texas Comptroller of Public Accounts. Location and address information for the appraisal district office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/cad](http://comptroller.texas.gov/propertytax/references/directory/cad). Location and address information for the county tax assessor-collector's office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/tac](http://comptroller.texas.gov/propertytax/references/directory/tac).**

**GENERAL INSTRUCTIONS:** This declaration is for a dealer of vessels and outboard motors to declare vessel and outboard motor inventory pursuant to Tax Code Section 23.124. File a declaration for each business location.

**WHERE TO FILE:** This declaration, and all supporting documentation, must be filed with the appraisal district office in the county in which your business is located. A copy of each declaration must be filed with the county tax assessor-collector's office.

**DECLARATION DEADLINES:** Except as provided by Tax Code Section 23.125(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.

**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 and collector may examine the books and records of a dealer as provided by Tax Code Section 23.124(g) and 23.125(f).

### 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: Business Information

Attach a list with the name and business address of each location at which you conduct business and each of the dealer's and manufacturer's numbers issued by the Texas Parks and Wildlife Department (TPWD).

### STEP 3: Business Location of Declared Inventory

Provide the business name, TPWD dealer's and manufacturer's numbers, and physical business address of the business location for the inventory you are declaring in this form. Provide the appraisal district account number if available or attach a tax bill or copy of appraisal or tax office correspondence concerning your account.

Name of Business

TPWD Dealer's and Manufacturer's Number

Address, City, State, ZIP Code

Appraisal District Account Number (if known)

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

**STEP 4: Breakdown of Sales and Sales Amounts**

Breakdown 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 units sold for the months you were in business. See last page for additional instructions.

Vessel and Outboard Motor Inventory	Fleet Transactions	Dealer Sales	Subsequent Sales
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Breakdown of 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 amounts for the months you were in business.

\$ _____	\$ _____	\$ _____	\$ _____
Vessel and Outboard Motor Inventory	Fleet Transactions	Dealer Sales	Subsequent Sales

**STEP 5: Market Value of your Inventory**

State the market value of the inventory for the current tax year as computed under Tax Code Section 23.124. Market value is total annual sales from the dealer's inventory less sales to dealers, fleet transactions, and subsequent sales 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 the inventory for a 12-month period. If you were not in business for the entire 12-month period, report the sales for those months you were in business and the chief appraiser will determine the inventory's market value.

Vessel and Outboard Motor 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 vessel and outboard motor inventory.

**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 state jail felony under Penal Code Section 37.10.

## Additional Instructions

**Step 4: Breakdown of units and sales amounts.** Complete the boxes on units sold and sales amounts for the preceding year. The top row of boxes is the number of units sold in each category. The bottom row of boxes is the dollar amount sold in each category. The categories include:

- **Vessel and outboard motor inventory** – the sale of watercraft used or capable of being used for transportation on water that are not more than 65 feet in length (vessels) and the sale of self-contained internal combustion propulsion systems which are used to propel vessels and which are detachable as a unit from the vessel (outboard motors). The term “vessel” also includes a vehicle that is designed to carry watercraft and is either a “trailer” or “semitrailer” as defined by Transportation Code Section 501.002(23) and (29). The term “vessel” does not include watercraft of more than 65 feet in length; or a seaplane on water; or canoes, kayaks, punts, rowboats, rubber rafts, or other vessels under 14 feet in length when paddled, poled, oared, or windblown. This category does not include a fleet transaction, dealer sale, or subsequent sale, each of which is defined below. [See, Tax Code Sections 23.124(a)(8), (14), (15); and Parks and Wildlife Code, Section 31.003.]
- **Fleet transaction** – the sale of five or more vessels or outboard motors from a dealer’s vessel and outboard motor inventory to the same business entity within one calendar year. [Tax Code Section 23.124(a)(7).]
- **Dealer sale** – the sale from a dealer’s vessel and outboard motor inventory to another dealer, that is, a person who holds a dealer’s and manufacturer’s number issued by the Parks and Wildlife Department under the authority of Parks and Wildlife Code Section 31.041, or is authorized by law or interstate reciprocity agreement to purchase vessels or outboards motors in Texas without paying the sales tax. The term does not include the manufacturer of vessels or outboard motors. [See, Tax Code Section 23.124(a)(3).]
- **Subsequent sale** – a dealer-financed sale of a vessel or outboard motor that, at the time of the sale, has been the subject of a dealer-financed sale from the same dealer’s vessel and outboard motor inventory in the same calendar year. [Tax Code Section 23.124(a)(12).]



# Dealer's Vessel and Outboard Motor Inventory Tax Statement

Property Tax  
**Form 50-260**

**CONFIDENTIAL**

Reporting Month \_\_\_\_\_

Year \_\_\_\_\_

Page \_\_\_\_\_ of pages \_\_\_\_\_

Send Original with Payment to: County Tax Office Name and Address \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Send Copy to: Appraisal District Name and Address \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

This document must be filed with the county tax assessor-collector's office and the appraisal district office in the county in which your business is located. Do not file this document with the office of the Texas Comptroller of Public Accounts. Location and address information for the county tax assessor-collector's office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/tac](http://comptroller.texas.gov/propertytax/references/directory/tac). Location and address information for the appraisal district office in your county may be found at [comptroller.texas.gov/propertytax/references/directory/cad](http://comptroller.texas.gov/propertytax/references/directory/cad).

**GENERAL INSTRUCTIONS:** This inventory tax statement must be filed by a dealer of vessel and outboard motor inventory pursuant to Tax Code Section 23.125. This statement is filed together with an amount equal to the total amount of the unit property tax assigned to all vessels and outboard motors sold in the preceding month. File a separate statement for each business location and retain documentation.

**WHERE TO FILE:** This document and prepayment of taxes must be filed with the county tax assessor-collector's office. A copy of each statement must be filed with the appraisal district office.

**STATEMENT DEADLINES:** Except as provided by Tax Code Section 23.125(g), a statement and prepayment of taxes must be filed on or before the 10th day of each month.

**PENALTIES:** A dealer who fails to file or timely file a statement commits a misdemeanor offense punishable by a fine not to exceed \$100 with each day that the dealer fails to comply a separate violation. In addition to other penalties provided by law, a dealer who fails to file or timely file a statement must forfeit a penalty of \$500 for each month or part of a month in which a statement 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. In addition to other penalties provided by law, an owner who fails to remit unit property tax due must pay a penalty of 5 percent of the amount due. If the amount due is not paid within 10 days after the due date, the owner must pay an additional 5 percent of the amount due. Unit property taxes paid on or before Jan. 31 of the year following the date on which they are due are not delinquent.

## OTHER IMPORTANT INFORMATION

The chief appraiser or collector may examine documents held by a dealer in the same manner and subject to the same conditions as provided by Tax Code Section 23.124(g) and 23.125(f).

### STEP 1: Dealer Information

Name of Dealer \_\_\_\_\_

Mailing Address \_\_\_\_\_

City, State, ZIP Code \_\_\_\_\_

Phone (area code and number) \_\_\_\_\_

Name of Person Completing Statement \_\_\_\_\_

Title \_\_\_\_\_

### STEP 2: Business Location Information

Provide the appraisal district account number if available or attach a tax bill or copy of appraisal or tax office correspondence concerning your account. Provide the dealer's and manufacturer's numbers issued by the Texas Parks and Wildlife Department (TPWD).

Name of Business \_\_\_\_\_

Address, City, State, ZIP Code \_\_\_\_\_

Account Number \_\_\_\_\_

TPWD Dealer's and Manufacturer's Numbers \_\_\_\_\_



**STEP 4: Units Sold and Sales Amount**

**Breakdown of Units Sold for Reporting Month**

\_\_\_\_\_

Vessel and Outboard Motor Inventory	Fleet Transactions	Dealer Sales	Subsequent Sales
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**Breakdown of Sales Amounts for Reporting Month**

\$ \_\_\_\_\_

Vessel and Outboard Motor Inventory	Fleet Transactions	Dealer Sales	Subsequent Sales
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**STEP 5: Signature**

**print here** → \_\_\_\_\_

Print Name	Title
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**sign here** → \_\_\_\_\_

Authorized Signature	Date
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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

<sup>1</sup> **Type of Sale:** Place one of the following codes by each sale reported:

**VM – vessel and outboard motor inventory** – the sale of watercraft used or capable of being used for transportation on water that is not more than 65 feet in length (vessels) and the sale of self-contained internal combustion propulsion systems which are used to propel vessels and which are detachable as a unit from the vessel (outboard motors). The term “vessel” also includes a vehicle that is designed to carry watercraft and is either a “trailer” or “semitrailer” as defined by Transportation Code Section 501.002(23) and (29). The term “vessel” does not include watercraft of more than 65 feet in length; or a seaplane on water; or canoes, kayaks, punts, rowboats, rubber rafts, or other vessels under 14 feet in length when paddled, poled, oared, or windblown. This category does not include a fleet transaction, dealer sale, or subsequent sale, each of which is defined below. Only this type of sale has a unit property tax (see below). [See, Tax Code Sections 23.124(a)(8), (14), (15); and Parks and Wildlife Code, Section 31.003.]

**FL – fleet transaction** – the sale of five or more vessels or outboard motors from a dealer’s vessel and outboard motor inventory to the same business entity within one calendar year. [Tax Code Section 23.124(a)(7).]

**DL – dealer sale** – the sale from a dealer’s vessel and outboard motor inventory to another dealer, that is, a person who holds a dealer’s and manufacturer’s number issued by the Parks and Wildlife Department under the authority of Parks and Wildlife Code Section 31.041, or is authorized by law or interstate reciprocity agreement to purchase vessels or outboard

motors in Texas without paying the sales tax. The term does not include the manufacturer of vessels or outboard motors. [See, Tax Code Section 23.124(a)(3).]

**SS – subsequent sale** – a dealer-financed sale of a vessel or outboard motor that, at the time of the sale, has been the subject of a dealer-financed sale from the same dealer’s vessel and outboard motor inventory in the same calendar year. [Tax Code Section 23.124(a)(12).]

<sup>2</sup> **Sales Price:** The price as set forth on the “Application for Texas Certificate of Number/Title, for Boat/Seller, Donor or Trader’s Affidavit” for a vessel, the “Application for Texas Certificate of Title for an Outboard Motor/Seller, Donor or Trader’s Affidavit” for an outboard motor, or the “Application for Texas Certificate of Title” for a trailer treated as a vessel, or the price that would appear if those forms were used.

<sup>3</sup> **Unit Property Tax:** To compute, multiply the sales price by the unit property tax factor. For fleet, dealer and subsequent sales that are not included in the vessel and outboard motor inventory, the unit property tax is \$-0-. Contact either the county tax assessor-collector or county appraisal district for the current unit property tax factor. The unit property tax factor is calculated by dividing the prior year aggregate tax rate by 12. If the aggregate tax rate is expressed in dollars per \$100 of valuation, divide by \$100 and then divide by 12. It represents one-twelfth of the preceding year’s aggregate tax rate at the location. If no unit property tax is assigned, state the reason.

<sup>4</sup> **Total Unit Property Tax for This Month:** Enter the total amount of unit property tax. This is the total amount of unit property tax that will be submitted with the statement to the collector.