

FREEPORT EXEMPTION

DESCRIPTION

The City of San Antonio, Bexar County and two local City independent school districts (Judson ISD and San Antonio ISD) allow personal property tax exemptions for companies that deal with goods-in-transit or inventories used in the manufacturing process.

A Constitutional Amendment adopted in 1989 by the State of Texas authorized a type of property tax exemption for items classified as "Freeport Property." Freeport Property includes various types of goods that are detained in Texas for a short period of time (175 days or less). The exemption provides a business incentive that can be used to promote the growth and expansion of businesses, particularly those engaged in logistics and distribution.

- ❖ Freeport property, by definition, includes goods, wares, merchandise, and certain aircraft and aircraft parts.
- ❖ Freeport property does not include oil, natural gas, and other petroleum products.

ELIGIBILITY

- ❖ Any company locating within Bexar County, which has goods in transit, is eligible for this incentive.
- ❖ The amount of the exemption increases or decreases depending on location.
- ❖ The goods must be in Texas only for a limited purpose, such as for storage or factory processing.
- ❖ Taxable inventories must be moved outside of the State of Texas within 175 days.

BENEFITS

Exemption of up to 100% of personal property taxes on goods-in-transit, or inventories used in a manufacturing process and the inventory items are moved out of state within 175 days.

FOR MORE INFORMATION:

For assistance contact the Bexar County Appraisal District, Personal Property Department at (210) 242-2468.

