GUADALUPE APPRAISAL DISTRICT

3000 N. Austin St.
Seguin, TX 78155
Phone: 830.303.3313
Fax: 830.372.2874
www.guadalupead.org

Dealer Inventory Frequently Asked Questions

1. **Where are the Dealer's Inventory Declaration and Monthly Statements to be mailed?**
   Declaration: Mail the original to the appraisal district and a copy to the tax assessor-collector.
   Monthly Statements: Mail the original along with your payment to the tax assessor-collector and a copy of the statement to the appraisal district.

   Originals must be either mailed or delivered. Copies may be emailed to the below email addresses.

   Guadalupe Appraisal District
   3000 N. Austin St.
   Seguin TX 78155
   bpp@guadalupead.org

   Guadalupe County Tax Assessor-Collector
   307 W. Court St.
   Seguin TX 78155
   lauram@guadalupetx.gov

2. **How is Dealer Inventory appraised?**
   Although dealers are required to report and pay inventory tax on sales into an escrow account with the tax assessor-collector, the law requires that a market value be assigned to dealer inventory based on the previous year's sales. The market value assigned is equal to 1/12 of the total dollar amount of sales from the previous year minus dealer, fleet, and subsequent sales.

3. **I paid into escrow on each sale during the year, why do I owe more taxes?**
   Your escrow payments are based on the sales in the current year, but your tax is based on the prior year sales. Therefore, If the current year sales are less than the prior year sales you will owe more than you have placed in escrow.

4. **What is the Declaration and when is it due?**
   The Declaration is an annual report of your prior year's sales and determines your market value for the current year. It is due every year prior to February 1. New dealers with licenses issued after January 1 of the current year are required to file a Declaration with the appraisal district and assessor-collector within 30 days of the date that the dealer license was issued by the state.

5. **What is the Dealer Inventory Tax Statement and when is it due?**
   The Inventory Tax Statement is a report of your prior months sales and indicates the calculation of the Unit Property Tax on those sales. The statement is due by the 10th of every month for Motor Vehicle, Vessel/ Outboard Motors, and Manufactured Housing Dealers. Heavy Equipment Dealers must file each quarter by the 20th of the following month.

6. **Is there a fine or penalty for not filing the Annual Declarations or Monthly Statements?**
   Yes, please refer to the penalties listed on your Inventory Declaration Form and the Monthly Inventory Tax Statement.

7. **I have been issued a dealer number but did not own any vehicles on January 1st. Am I still required to file the Declaration and Statements?**
   Yes, you are considered in business beginning on the date the dealer number is issued and continuing until it is canceled or expires.

8. **Why do I have to file forms each month even if I did not have any sales or own inventory?**
   The law requires dealers to file every month that your dealer number is active even if you do not have sales or inventory. If you have not made any sales in the prior month, complete steps 1-2 and write "No Sales" in step 3 and sign and date the form.

9. **Am I required to complete a Business Personal Property Rendition for (Form 50-144)?**
   Yes, all dealers must render their parts, accessories, supplies, and fixed assets used in the business. The assets reported on the rendition will have a separate account number. Do not include your vehicle inventory on the rendition.

10. **Can I send in a computer listing of sales or substitute a report from my dealer software system?**
    Yes, you may complete steps 1, 2, 4, and 5 pf the Statement form and attach a listing of sales if the listing includes all of the information required in step 3. A report from your dealer software system may be substituted for the Statement form if it includes all information required on the statement form.

11. **If all sales are wholesale (dealer to dealer), do I have to file?**
    If your license type allows you to sell at the retail level you are required to file, regardless of the type of sale.

12. **If I take an even trade, how is the transaction reported?**
    Sales price means the total amount of money paid or to be paid for the purchase of a motor vehicle. It is the same amount as the "sales price" on line 21 of the form entitled "Application for Texas Certificate of Title." In a transaction that does not involve the use of that form, the term means an amount of money that is equivalent or substantially equivalent to the amount that would appear on line 21 as the "sales price" on the application for Texas Certificate of Title.

13. **Are consignment sales a part of my inventory?**
    Yes, in the case of dealer inventory, the definition of inventory includes all vehicles held for sale by a dealer. See Tax Code 23.121(b) and (a)(4). What this means is that any sale by a dealer, regardless of ownership or consignment status, is counted as inventory for tax purposes. Therefore, consignment sales must be reported on the Monthly Inventory Tax Statement and Annual Declaration.