

## HEAVY EQUIPMENT DEALER INVENTORY FREQUENTLY ASKED QUESTIONS

### 1. Where are the Declarations and Statements to be mailed?

The forms are to be mailed to both:

Gregg County Appraisal District  
4367 W. Loop 281  
Longview TX, 75604

and

Gregg County Tax Office  
Kirk Shields, Tax Assessor Collector  
PO Box 1432  
Longview TX, 75606

### 2. What is Heavy Equipment?

For the purpose of Dealer Inventory, Heavy Equipment is self-propelled, self powered, or pull type equipment, including farm equipment or a diesel engine, that weighs at least 1,500 pounds and is intended to be used for agricultural, construction, industrial, maritime, mining, or forestry uses. The term does not include an item of heavy equipment that is required to be titled under Chapter 501 or registered under Chapter 502, Transportation Code. The term includes items of heavy equipment that are leased or rented. A sale is considered to occur when possession of an item of heavy equipment is transferred from the dealer to the purchaser.

### 3. Is there a fine or penalty for not filing the Declarations or Statements?

Yes. See instructions for filing declarations and statements enclosed.

### 4. What is a Declaration?

It is an annual report of your prior year sales, leases, and rentals. It also provides GCAD with the current mailing address and location of your business.

### 5. When is the Declaration due?

The Declaration is due every year prior to February 1, if the heavy equipment dealer is in business on January 1 or heavy equipment was sold, leased, or rented during the prior year.

### 6. What is the Dealer Inventory Tax Statement?

The Inventory Tax Statement is a report of your prior month heavy equipment sales, leases and rentals and shows payment of the Unit Property Tax on the sales, leases and rentals.

### 7. When is the Dealer Inventory Tax Statement due?

It is due by the 10<sup>th</sup> of each month for the prior month sales, leases and rentals.

### 8. If I send in an Inventory Tax Statement each month, am I still required to file a Declaration?

Yes. A declaration is due each year the heavy equipment dealer is in business.

### 9. If all sales are dealer to dealer, do I have to file?

Yes. All sales must be reported regardless of the type of sale.

### 10. If the sale is for export, is it required to be reported?

Yes. All sales of dealer inventory must be reported.

### 11. If I take an even trade, how is the transaction reported?

Even trades are reported on statements and declarations using the amount of money that is equivalent or substantially equivalent to the amount that would have been paid for the sale of heavy equipment.

### 12. Can I send in a computer listing of sales?

Yes. Complete the breakdown summary section (Step 4) on the Dealer Inventory Statement, sign the statement, and write "See attached" on the statement. The attached list of sales, leases or rentals must include all information required on the statement such as make, model, purchaser's name, type of transaction and price.

**13. Why did the tax factor change?**

Your factor is based on the taxing jurisdictions your business is located in on January 1. At the end of each year, the taxing jurisdictions set the tax rates. If a jurisdiction changes its tax rate your factor will change beginning January 1. Prior to the first of the year the Tax Assessor-Collector's Office will send you the factor you should use.

**14. If I move during the year, will my factor change?**

No. The factor is based on the January 1 location of the business. You will use the same factor for the entire year. You will have a new factor for the new location starting January 1.

**15. If I move my business, do I need to let anyone know?**

Yes. Send a letter to GCAD with your account number, the date of the move, the new location and the new mailing address.

**16. If I owe more taxes this year, can I collect more next year?**

No. The formula for calculating your prepayments to the county is based on prior year's aggregate tax rate and can't be changed.

**17. I paid into escrow on each sale during the year. Why do I owe more taxes?**

Your escrow payments are based on the sales, leases and rentals in the current year, but your tax is based on the prior year sales, leases and rentals. If the current year sales, leases and rentals are less than the prior year sales, leases and rentals, you will owe more than you have placed in escrow.

**18. How do I get a refund for unit property tax paid on a sale that has become a "fleet transaction"?**

All sales included in the sale of 5 or more vehicles to the same buyer within one calendar year become "fleet transactions". A dealer may apply to the chief appraiser to determine eligibility of a refund of unit property tax paid to the county on a sale that is a fleet transaction. A property owner may protest a chief appraiser's determination of eligibility for a refund under Tax Code Section 23.1243 to the appraisal review board not later than the 30<sup>th</sup> day after the date the chief appraiser's refund eligibility is delivered to the property owner. An ARB determination on the eligibility of a refund may be appealed in district court.

**19. What inventory is to be rendered?**

All dealers must render their parts, accessories and supplies owned on January 1. Also, the fixed assets used in the business are to be rendered. The rendered assets and heavy equipment dealer inventory will have separate account numbers. Wholesale dealers must render the inventory owned on January 1.

**20. If I close my business, do I need to let anyone know?**

Yes. Contact GCAD at 903-238-8823.

**21. How do I report Auction Sales?**

The sales price on your statement/declaration should include the cost for the auction to sell the heavy equipment. If the auction provides the selling dealer a document that includes the purchaser name on it, this purchaser should be listed on the statement.