



DEVELOPERS INVENTORY

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PARKERCAD.ORG

817-596-0077

FORM 50-143

WHAT IS DEVELOPERS INVENTORY?

- ▶ **Sec.23.12 Inventory (a) Except where provided by Sections 23.121, 23.1241, 23.124, and 23.127, the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business. An inventory shall include residential real property which has never been occupied as a residence and is held for sale in the ordinary course of a trade or business, provided that the residential real property remains unoccupied, is not leased or rented, and produces no income. (b) The chief appraiser shall establish procedures for equitable and uniform appraisal of inventory for taxation. (c) In appraising an inventory, the chief appraiser shall use the information obtained pursuant to Subsection (b) of this section and shall apply generally accepted appraisal techniques in computing the market value as defined in Subsection (a) of this section.**

WHAT IS THE CRITERIA FOR DEV INVENTORY?

- ▶ In Texas, real property inventory for developers is defined as residential property that meets the following criteria:
 - ▶ Be owned by the same entity
 - ▶ Be contiguous or in the same subdivision
 - ▶ Be held for sale in the normal course of business
 - ▶ Be subject to zoning restrictions limiting it to residential use
 - ▶ If not subject to zoning, it must have enforceable deed restrictions limiting it to residential use, or its highest and best use is as residential property
 - ▶ Be planned for construction or under construction as of January 1st

HOW TO APPLY

- ▶ To apply for a residential real property inventory valuation in Texas, a property owner or their agent must submit a completed Form 50-143, Rendition of Real Property, to the PCAD office by April 15. The form must be filed for each year to qualify.

DEVELOPERS INVENTORY CALCULATIONS

- ▶ PCAD will take 30% of the total land value and 20% of the improvement value.
 - ▶ Ex: Developer has \$60,000 in each lot of the subdivision. $\$60,000 - 30\%$ would render a market value of \$42,000 for each lot resulting in a lower tax burden for the developer.
 - ▶ Ex: Developer has \$175,000 in the improvement. $\$175,000 - 20\%$ would render a market value of \$140,000 for that structure resulting in a lower tax burden for the developer.

Rendition of Residential Real Property Inventory

Form 50-143

CONFIDENTIAL

Appraisal District's Name

Tax Year

Appraisal District Account Number (if known)

GENERAL INFORMATION: This form is for use in rendering residential real property inventory owned or managed and controlled as a fiduciary on Jan. 1. This form assists the appraisal district in classifying and appraising property as inventory pursuant to Tax Code Section 23.12.

FILING INSTRUCTIONS: This document and all supporting documentation must be filed with the appraisal district office in the county in which the property is taxable. **Do not file this document with the Texas Comptroller of Public Accounts.**

SECTION 1: Property Owner Information

Property Owner Name

Mailing Address, City, State, ZIP Code

Phone Number (area code and number)

Email Address

Property Owner is (check one):

☐ Individual ☐ Corporation ☐ Partnership ☐ Trust ☐ Association ☐ Nonprofit Corporation ☐ Other:

SECTION 2: Party Filing Report

☐ Property Owner ☐ Secured Party
☐ Employee of Property Owner ☐ Fiduciary
☐ Authorized Agent ☐ Other
☐ Employee of Property Owner on Behalf of Affiliated Entity of the Property Owner

NOTE: When a corporation is required to file this report, an officer of the corporation or an employee or agent who has been designated in writing by the board of directors or by an authorized officer to sign on behalf of the corporation must sign the report (Tax Code Section 22.26(b)).

Name of individual authorized to sign this report

Title or Position

Mailing Address, City, State, ZIP Code

Phone Number (area code and number)

Email Address

Complete if applicable.

☐ By checking this box, I affirm that the information contained in the most recent rendition statement filed in continues to be complete and accurate for the current tax year. (Prior tax year)

Are you a secured party with a security interest in the property subject to this rendition and with a historical cost new of more than \$50,000 as defined by Tax Code Section 22.01(c-1) and (c-2)? ☐ Yes ☐ No

If yes, attach a document signed by the property owner indicating consent to file the rendition. Without the authorization, the rendition is not valid and cannot be processed.

SECTION 3: Property Information

Identify each of the taxing units in which the property is located:

Complete the following schedules in this form.

- Residential Real Property Inventory Schedule
- Information About Estimate of This Inventory's Value

If an estimate is provided, the appraisal district must send a notice of appraised value if it places a higher total value on the property than the estimate.

SECTION 4: Affirmation and Signature

If you make a false statement on this form, you could be found guilty of a Class A misdemeanor or a state jail felony under Section 37.10, Penal Code.

I, _____,

Printed Name of Authorized Individual

swear or affirm that the information provided in this report is true and accurate to the best of my knowledge and belief.

NOTE: The signature on this report must be notarized unless the person filing the report is a secured party as defined by Tax Code Section 22.01, the property owner, an employee of the property owner, an employee of the property owner on behalf of an affiliated entity of the property owner or on behalf of a property owner who is rendering tangible personal property with a good faith estimate of not more than \$150,000 in total market value.

sign
here

Signature of Property Owner or Authorized Representative

Date

Subscribed and sworn before me this _____ day of _____, 20_____.

Notary Public, State of Texas

Important Information

GENERAL INFORMATION

This form is for use in rendering residential real property inventory owned or managed and controlled as a fiduciary on Jan. 1. This form assists the appraisal district in classifying and appraising property as inventory. Inventory includes residential real property which has never been occupied as a residence; held for sale; remains unoccupied; is not leased or rented; and produces no income (Tax Code Section 23.12). This report is confidential and not open to public inspection; disclosure is permitted pursuant to the terms of Tax Code Section 22.27.

Unless required by the Tax Code or the chief appraiser, rendering real property is optional. File a separate rendition form for each subdivision or group of contiguous properties. To render real property that does not qualify as residential real property inventory, use Form 50-141, *General Real Property Rendition of Taxable Property*.

FILING INSTRUCTIONS

This document and all supporting documentation must be filed with the appraisal district office in the county in which the property is taxable. **Do not file this document with the Texas Comptroller of Public Accounts.** Contact information for appraisal district offices may be found on the Comptroller's website.

DEADLINES

Rendition statements and property report deadlines depend on property type. The statements and reports must be delivered to the chief appraiser after Jan. 1 and no later than the deadlines indicated below.

Rendition Statements and Reports	Deadlines	Allowed Extensions
Property generally	April 15	<ul style="list-style-type: none">May 15 upon written requestAdditional 15 days for good cause shown
Property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board or the Federal Energy Regulatory Commission. Tax Code Section 22.23(d).	April 30	<ul style="list-style-type: none">May 15 upon written requestAdditional 15 days for good cause shown

PENALTIES

Failure to timely file a required rendition statement or property report will incur a penalty of 10 percent of the total amount of taxes imposed on the property for that year. An additional penalty will be incurred of 50 percent of the total amount of taxes imposed on the property for the tax year of the statement or report, if a court determines that:

- a person filed a false statement or report with the intent to commit fraud or to evade the tax; or
- for the purpose of affecting the course or outcome of an inspection, investigation, determination, or other proceeding before the appraisal district, a person:
 - altered, destroyed or concealed any record, document or thing;
 - presented to the chief appraiser any altered or fraudulent record, document or thing; or
 - otherwise engages in fraudulent conduct.

Residential Real Property Inventory Schedule

Provide the description of each property including the appraisal district account number (if the district has assigned separate numbers for each property), the individual property legal description, improvement area, percent complete on Jan. 1 and the property's asking price. Providing the estimated land and improvement value is optional.

Complete this table (attach additional sheets as necessary) or a spreadsheet setting forth the required information. All such information must be separately identified in a manner that conforms to the column headers used in the tables or that is acceptable to the property owner and appraisal district.

Subdivision Name

Location (nearest major intersection)

Appraisal District Account Number

Continue on additional sheets as needed

Optional: give estimate of inventory value
(allocated to each property, if possible)

Appraisal District Account Number <i>(if individual numbers are assigned)</i>	Legal Description	Living Area in Square Feet	Percent Completed on Jan. 1	Asking Price	Land	Improvements	Has Property Ever Been Occupied as a Residence?	Is Property Leased, Rented or Producing Income?

Optional: Estimate of the total inventory value of this group of properties
(please complete the information about the basis of the estimate of value on the last page of the form)

Page of pages

Optional: Information About Your Estimate of This Inventory's Value

If a value was rendered in the Residential Real Property Inventory Schedule, please complete this schedule to show how the inventory value was derived.

Cost

If the inventory value estimate is based on cost, please complete this schedule or attach documentation for the estimate.

Land Cost:

Total Number of Lots/Acres in this Schedule:

Lots Acres

Purchased for \$ per Lot/Acre

Date Purchased
(attach schedule if properties were
purchased on more than one date)

Site Improvement Costs \$ per Lot/Acre

Other Development Costs \$ per Lot/Acre

Building Cost (total for all improvements listed):

Materials..... \$

Labor..... \$

Architectural Design..... \$

Filing and Permit Expense..... \$

Title Expense..... \$

Advertising/Promotion..... \$

Security..... \$

Insurance..... \$

Financing Cost..... \$

Tax..... \$

Other Building Costs (specify):

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

Total Inventory Cost..... \$

Income

If the inventory value estimate is based on income from selling the properties over time, please complete this schedule and attach documentation.

Number of Properties in Inventory...

Projected Annual Gross

Income from Sales..... \$

Projected Time to Sell Inventory (please attach a timetable if the same number of
units is not expected to be sold)

For Each Year, Months

Projected Selling Price Change + or % per Year

Projected Annual Expenses:

Interim Financing..... \$

Tax..... \$

Insurance..... \$

Marketing..... \$

Payment of Points..... \$

Other Expenses (specify):

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

Projected Profit as a Percentage

of Annual Gross Income..... \$

Discount Rate Used to

Project Value..... \$

Total Inventory Value..... \$



QUESTIONS