

**APPLICATION FOR INTERSTATE ALLOCATION OF VESSELS OR OTHER WATERCRAFT**

**YEAR**

Appraisal district name	Phone (area code and number)
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Address

If you own vessels or other watercraft which this state has jurisdiction to tax under Section 11.01, Property Tax Code, and which has situs under Section 21.021, Property Tax Code, in a taxing unit in this appraisal district, but such property is used continually outside of Texas, you may apply under Section 21.031, Property Tax Code, for an allocation of value to reflect use of the property in Texas. For filing requirements, see Section 21.031(e), Tax Code (on next page).

**Property owner information**

Property owner's name

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Current mailing address

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City, town or post office, state, ZIP code

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Phone (area code and number)

**INSTRUCTIONS**

1. Determine what type of vessel or watercraft best describes your property:
  - (a) For a vessel or watercraft used as an instrumentality of commerce, as defined in section 21.03(b)(1), Property Tax Code, state the number of miles the property was operated within the state during the preceding year, and the total number of miles the property was operated.
  - (b) For a special-purpose vessel or other watercraft not used as an instrumentality of commerce, as defined in section 21.031 (b)(2), Property Tax Code, state the number of days the property was physically located within this state during the preceding year.
2. Provide a description for each vessel or other watercraft.
3. State in which taxing units within the appraisal district the property has situs.

**Property Information:**

Description	Total Use	Texas Use	Taxing Units Having Situs

Company name	Title
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Are you the property owner, an employee of the property owner, or an employee of a property owner on behalf of an affiliated entity of the property owner?

Yes  No

This form must be signed and dated. By signing this document, you attest that the information contained on it is true and correct to the best of your knowledge and belief. If you checked "Yes" above, sign and date on the signature line below. No notarization is required.

**sign here** \_\_\_\_\_ Date \_\_\_\_\_

If you checked "No" above, you must complete the following:

I swear that the information provided on this form is true and correct to the best of my knowledge and belief.

**sign here** \_\_\_\_\_ Date \_\_\_\_\_

**Subscribed and sworn** before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_

## THIS FORM MUST BE FILED WITH THE APPRAISAL DISTRICT OFFICE

### Section 21.021. Vessel and Other Watercraft

(a) A vessel or other watercraft used as an instrumentality of commerce (as defined in Section 21.031 (b) of this code) is taxable pursuant to Section 21.02 of this code.

(b) A special-purpose vessel or other watercraft not used as an instrumentality of commerce (as defined in Section 21.031 (b) of this code) is deemed to be located on January 1 for more than a temporary period for purposes of Section 21.02 of this code in the taxing unit in which it was physically located during the year preceding the tax year. If the vessel or watercraft was physically located in more than one taxing unit during the year preceding the tax year, it is deemed to be located for more than a temporary period for purposes of Section 21.02 of this code in the taxing unit in which it was physically located for the longest period during the year preceding the tax year or for 30 days, whichever is longer. If a vessel or other watercraft is not deemed to be located in any taxing unit on January 1 for more than a temporary period pursuant to the subsection, the property is taxable as provided by Subdivisions (2) through (4) of Section 21.02 of this code.

(c) This section applies solely to a determination of taxable situs and does not apply to a determination of jurisdiction to tax under Section 11.01 of this code.

### Section 21.031. Allocation of Taxable Value of Vessels and Other Watercraft Used Outside This State

(a) If a vessel or other watercraft that is taxable by a taxing unit is used continually outside this state, whether regularly or irregularly, the appraisal office shall allocate to this state the portion of the total market value of the vessel or watercraft that fairly reflects its use in this state. The appraisal office shall not allocate to this state the portion of the total market value of the vessel or watercraft that fairly reflects its use in another state or country, in international waters, or beyond the Gulfward boundary of this state.

(b) The appraisal office shall make the allocation as follows:

(1) The allocable portion of the total fair market value of a vessel or other watercraft used as an instrumentality of commerce that is taxable in this state is determined by multiplying the total fair market value by a fraction, the numerator of which is the number of miles the vessel or watercraft was operated in this state during the year preceding the tax year and the denominator of which is the total number of miles the vessel or watercraft was operated during the year preceding the tax year. For purposes of this section, "vessel or other watercraft used as an instrumentality of commerce" means a vessel or other watercraft that is primarily employed in the transportation of cargo, passengers, or equipment, and that is economically employed when it is moving from point to point as a means of transportation.

(2) The allocable portion of the total fair market value of a special-purpose vessel or other watercraft not used as an instrumentality of commerce is determined by multiplying the total fair market value by a fraction, the numerator of which is the number of days the vessel or watercraft was physically located in this state during the year preceding the tax year and the denominator of which is 365. For purposes of this section, "special-purpose vessel or other watercraft not used as an instrumentality of commerce" means a vessel or other watercraft that:

(A) is designed to be transient and customarily is moved from location to location on a more or less regular basis;

(B) is economically employed when operated in a localized area or in a fixed place; and

(C) is not primarily employed to transport cargo, passengers, and equipment but rather to perform some specialized function or operation not requiring constant movement from point to point.

(c) A vessel or other watercraft used as an instrumentality of commerce or a special-purpose vessel or other watercraft not used as an instrumentality of commerce that is used outside this state and is in this state solely to be repaired, stored, or inspected is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02 of this code.

(d) If the allocation provisions of this section do not fairly reflect the use of a vessel or other watercraft in this state, an alternate allocation formula shall be utilized if the property owner or appraisal office demonstrates that:

(1) the allocation formula specified in this section is arbitrary and unreasonable as applied to the vessel or watercraft; and

(2) the formula or indication of use proposed by the property owner or appraisal office more fairly reflects the vessel or watercraft's use in this state than that specified in this section.

(e) To receive an allocation of value under this section, a property owner must apply for the allocation on a form that substantially complies with the form prescribed by the State Comptroller. The application must be filed with the chief appraiser for the district in which the property to which the application applies is taxable before the approval of the appraisal records by the appraisal review board as provided by Section 41.12 of this code.

(f) The State Comptroller shall promulgate forms and may adopt rules consistent with the provisions of this section.

(g) A vessel or other watercraft to be used as an instrumentality of commerce or a special-purpose vessel or other watercraft not to be used as an instrumentality of commerce that is under construction in this state is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02.

(h) Tangible personal property in this state is presumed to be in interstate, international, or foreign commerce and located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02 if the owner demonstrates to the chief appraiser that the owner intends to incorporate the property in or attach the property to identified vessel or other watercraft described by Subsection (c) or (g).