

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

Yes. See instructions for filing Declarations and Statements enclosed.

**3. I have been issued a dealer number but have not opened the business. Am I 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.

**4. What is a Declaration?**

It is an annual report of your prior year sales. 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 dealer number is active on January 1. New dealers must file a Declaration with the appraisal district and the county tax office within 30 days of the date that the dealer license was issued by the state.

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

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

**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.

**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 until the dealer number is canceled or expires.

**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 the vehicle has a salvage title, does it have to be reported?**

Vehicles sold as reconditioned or sold as salvage where the buyer obtains a recondition title must be reported on your monthly statement and yearly declaration. Vehicles sold with salvage title sold as salvage or parts are not considered dealer inventory and are not reported on the Statement of Declaration. They are valued on the primary account at January 1 market value. However, if you have an active dealer license, you must file Statements and Declarations.

**12. Why do I have to file forms each month if I don't have any sales or own inventory?**

The law requires you 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 fill out the ownership information, account number and write "NO SALES" on the form.

**13. If I take an even trade (dealer 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.

**14. 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 must include all information required on the Statement such as make, model, purchaser's name, type of sale and sale price.

**15. 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.

**16. 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.

**17. 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.

**18. 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.

**19. 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. If the current year sales are less than the prior year sales, you will owe more than you have placed in escrow.

**20. 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.

**21. 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 dealer inventory will have separate account numbers. Wholesale dealers must render the inventory owned on January 1.

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

Yes. You must cancel the dealer number with the agency that issued it. Call GCAD at 903-238-8823 and let them know you are out of business. You are required to file reports until the dealer number is canceled.

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

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

**24. What is a Police auction certificate and how do I report a vehicle sold with this certificate?**

Police auction certificates are issued to storage lot owners when the police store a vehicle on their lot that is not claimed by the registered owner. This certificate allows them to sell the vehicle for storage charges. The certificate is treated as a title until the vehicle is sold. At the time of the sale, the certificate is exchanged for a new title. The dealer must report this sale on their statement and declaration.