

Freeport Tax Exemption

In 1989 Texas voters approved a constitutional amendment giving local jurisdictions the option to exercise, or not exercise, their authority to tax specific personal property, otherwise known as freeport goods.

The City of Fairfield has taken action to eliminate the tax on freeport goods, i.e., inventory goods, goods in process, or goods in transit.

The freeport exemption exempts certain types of tangible personal property from taxation provided the property is:

1. Acquired in or imported into Texas to be forwarded out of state.
2. Detained in Texas for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported it.
3. Transported out of state within 175 days after the date the person acquired it, or imported it, into the State of Texas.

Because oil, natural gas, and other petroleum products are not considered freeport goods, they are not eligible for the exemption and therefore remain taxable.

A company that manufactures or distributes a product from within a jurisdiction which has been designated as a freeport will realize significant savings if it serves a national or an international market.

The amount of freeport tax exemption for goods in transit received each year is based on the percentage of freeport tax exemption received from the previous year. A one-page application requests that a company identifies property owned on January 1st of each year (September 1st of the preceding year if the company receives a September inventory appraisal). The company must apply for the exemption each year form the Freestone County Appraisal District between January 1st and May 1st.

For more information on the City of Fairfield/Freeport Tax Exemption, please contact:

Fairfield Industrial Development Corporation
101 S. Mount Street
Fairfield, Texas 75840
(903) 389-7059