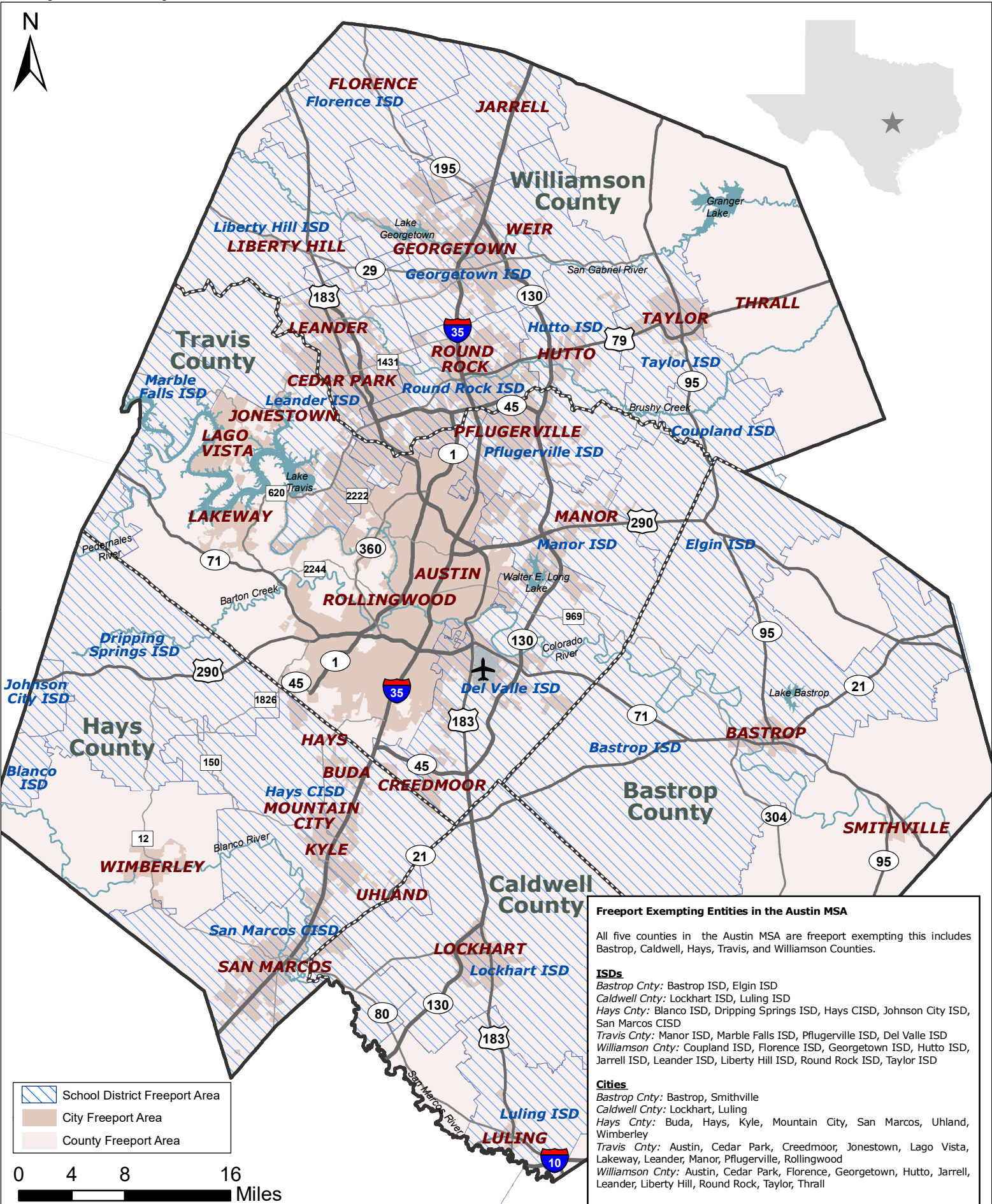


Greater Austin Region

Freeport Exemptions



In Texas, local governments and special taxing districts levy taxes on real and tangible personal property. Texas has no state property tax. All property is appraised at full market value, and taxes are assessed by local county assessors on 100% of appraised value. The total tax rate is the sum of the rates of all applicable taxing units including cities, counties, schools, and special districts.

Local governments have the option to exempt goods in transit (or "freeport goods") from ad valorem taxation. Freeport goods are inventories acquired or brought into the state by businesses and held for no more than 175 days before being shipped out of state. A number of jurisdictions in the Austin area have chosen to allow the exemption, which is irrevocable once in effect.

Freeport property includes goods, wares, merchandise, ores, and certain aircraft and aircraft parts. Freeport property qualifies for an exemption from ad valorem taxation only if it has been detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabricating.

Freeport Exemption Availability in Selected Communities

| | | City | County | School |
|------------------|------------------------------|------|--------|---------------------|
| Austin | Travis & Williamson Counties | Yes | Yes | No/Yes ¹ |
| Bastrop | Bastrop County | Yes | Yes | Yes |
| Buda | Hays County | Yes | Yes | Yes |
| Cedar Park | Williamson & Travis Counties | Yes | Yes | Yes |
| Dripping Springs | Hays County | No | Yes | Yes |
| Elgin | Bastrop County | No | Yes | Yes |
| Georgetown | Williamson County | Yes | Yes | Yes |
| Hutto | Williamson County | Yes | Yes | Yes |
| Jarrell | Williamson County | Yes | Yes | Yes |
| Kyle | Hays County | Yes | Yes | Yes |
| Lago Vista | Travis County | Yes | Yes | No |
| Leander | Williamson County | Yes | Yes | Yes |
| Liberty Hill | Williamson County | Yes | Yes | Yes |
| Lockhart | Caldwell County | Yes | Yes | Yes |
| Luling | Caldwell County | Yes | Yes | Yes |
| Manor | Travis County | Yes | Yes | Yes |
| Pflugerville | Travis County | Yes | Yes | Yes |
| Rollingwood | Travis County | Yes | Yes | No |
| Round Rock | Williamson & Travis Counties | Yes | Yes | Yes |
| San Marcos | Hays County | Yes | Yes | Yes |
| Smithville | Bastrop County | Yes | Yes | No |
| Taylor | Williamson County | Yes | Yes | Yes |
| West Lake Hills | Travis County | No | Yes | No |

¹ Austin ISD has not approved the Freeport exemption, however, portions of the City of Austin include the following school districts that do have Freeport: Del Valle ISD, Leander ISD, Manor ISD, Pflugerville ISD & Round Rock ISD.