

**APPLICATION FOR FREEPORT  
INVENTORY EXEMPTION**

See O.C.G.A. 48-5-48.1, 48-5-48.2, 48-5-48.5, and 48-5-48.6  
RETURN COMPLETED FORM TO ADDRESS LISTED BELOW

TAX YEAR	IF ASSISTANCE NEEDED CALL	ACCOUNT NUMBER
DUE DATE	MAP AND PARCEL I.D. NO	NAICS NO.

**COUNTY NAME AND RETURN ADDRESS**

**TAXPAYER NAME AND ADDRESS**

The last day for filing this application to receive full exemption is shown in the DUE DATE box above.

If filing after the DUE DATE, a reduced exemption amount may be applicable as follows: if filed April 2- April 30 (66.67% of the full exemption), if filed May 1- May 31 (58.33%), if filed on June 1 (50%). Failure to file by June 1 shall constitute a waiver of the entire exemption for the year (0.0%)

**BUSINESS PHYSICAL LOCATION**

IF NAME OR MAILING ADDRESS IS INCORRECT, PROVIDE CORRECT DATA

NAME:

ADDRESS:

CITY, STATE, ZIP:

- Describe the type of business:
- Inventory values must be reported at 100% full cost at level of trade which includes freight, burden, overhead, and other charges as of January 1 of taxable year
- List the method of inventory valuation used: \_\_\_\_\_ List the method of inventory cost identification: \_\_\_\_\_

**4. SUMMATION OF INVENTORY**

a. Total value of 'All Inventory' held on January 1 of taxable year	\$
b. Total value of all inventory held as 'Stock in Trade of a Retailer' as of January 1 of taxable year	\$

**5. FREEPORT LEVEL '1' (NOTE: Not all counties offer Level 1 Freeport - check with county for appropriate exemption % for each category)**

a. "Finished Goods" held longer than 12 months	\$
b. Packaging materials (boxes, cartons, cases, fillers, labels, liners, pallets, plastic trays, shrink wrap, tape, etc.)	\$
c. Other expensed supplies (i.e. gasoline, medical supplies, office supplies, production supplies, safety gear, uniforms, etc.)	\$
d. Spare parts inventory	\$
e. Enter the 'FULL COST' for each category below and enter the combined 'FULL COST' for all categories here: →	\$

**Category 1 – Raw materials and Goods in Process of a MANUFACTURER**

\_\_\_\_\_ X\* \_\_\_\_\_ = \_\_\_\_\_  
'FULL COST' Category 1                      Exemption %                      'EXEMPTION AMOUNT'

**Category 2 – "Finished Goods" manufactured in Georgia held by original MANUFACTURER less than 12 months**

\_\_\_\_\_ X\* \_\_\_\_\_ = \_\_\_\_\_  
'FULL COST' Category 2                      Exemption %                      'EXEMPTION AMOUNT'

**Line 5e - Category 3 – "Finished Goods" of DISTRIBUTOR held less than 12 months destined for out-of-state shipment**

\_\_\_\_\_ X\* \_\_\_\_\_ = \_\_\_\_\_  
'FULL COST' from Page 2, Line 8(e)                      Exemption %                      'EXEMPTION AMOUNT'

**Category 4 – "Stock in Trade of a FULLFILLMENT CENTER" held less than 12 months**

\_\_\_\_\_ X\* \_\_\_\_\_ = \_\_\_\_\_  
'FULL COST' Category 4                      Exemption %                      'EXEMPTION AMOUNT'

f. Apply the appropriate Level 1 exemption percentages above and enter the combined 'EXEMPTION AMOUNT' on this line.  
This represents the total Freeport Level '1' Exemption amount. \$

**6. FREEPORT LEVEL '2' (NOTE: Not all counties offer Level 2 Freeport – check with county for appropriate exemption %)**

a. Enter total cost of all merchandise held as inventory from Line '4a' excluding amounts entered on Lines '5b', '5c', '5d', and '5e'	\$
b. Multiply Line '6a' by 'appropriate exemption %' for Level 2 Freeport and enter amount on this line. This represents the total applicable Freeport Level '2' Exemption amount.	\$

**7. ATTACH AND FILE THIS FORM WITH PT50P-TAXPAYER RETURN**

a. Total Freeport '1' & '2' Exemption (add Lines '5f' and '6b' and enter amount here and on PT50P, Page 1, Line 'P')	\$
b. Total Taxable Inventory (Subtract Line '7a' from Line '4a' and enter amount here and on PT50P, Page 1, Line 'I')	\$

**8. EXPLANATION OF WHAT IS EXEMPTED BY FREEPORT**

**FREEPORT LEVEL 1 - MANUFACTURING OR PRODUCTION BUSINESS** (see O.C.G.A. 48-5-48.1 and 48-5-48.2)

CATEGORY 1. Inventory of goods in the process of manufacture or production which shall include all finished goods and raw materials held for direct use or consumption in the ordinary course of the taxpayers manufacturing or production business in this state. This exemption shall apply to tangible personal property which is substantially modified, altered or changed in the ordinary course of the taxpayer's manufacturing, processing or production operations in this state. For purpose of this exemption "Raw Materials" shall mean any material, whether crude or processed, that can be converted by manufacturing, processing, or a combination thereof into a new and useful product but shall not include unrecovered, unextracted or unsevered natural resources or packing materials.

CATEGORY 2. Inventory of "Finished Goods" manufactured or produced within this state in the ordinary course of the taxpayer manufacturing or production business when held by the original manufacturer or producer of such goods. This exemption shall be for a period not exceeding (12) months from the date such property is produced or manufactured.

**FREEPORT LEVEL 1 - WHOLESALE OR DISTRIBUTION BUSINESS** (see O.C.G.A. 48-5-48.1 and 48-5-48.2)

CATEGORY 3. Inventory of "Finished Goods" which, on January 1, are stored in a warehouse, dock, or wharf, whether public or private, and which are destined for shipment to a final destination outside this state and inventory of finished goods which are shipped into this state from outside this state and stored for transshipment to a final destination outside this state. The exemption shall be for a period not exceeding (12) months from the date such property is stored in this state. Such period shall be determined based on application of a first-in, first-out method of accounting for the inventory. The official books and records of the warehouse, dock, or wharf where such property is being stored shall contain a full, true, and accurate inventory of all such property, including the date of the receipt of the property, the date of withdrawal of the property, the point of origin of the property, and the point of final destination of the same, if known.

**CALCULATE INVENTORY QUALIFIED FOR FREEPORT LEVEL 1 - CATEGORY 3:**

(a) Total "Finished Goods" inventory shipments from this county during the last complete calendar year:	(a) \$
(b) Total "Finished Goods" inventory shipments from this county during the last complete calendar year to an out-of-State destination:	(b) \$
(c) Percentage of Out-of-State shipments: ('b' divided by 'a')	(c) %
(d) Total "Finished Goods" inventory on January 1 of this year: (Exclude inventory stored over (12) months)	(d) \$
(e) Estimated out-of-State shipments this year: (multiply 'c' times 'd') Enter on Page 1, line 5e-Category 3	(e) \$

**FREEPORT LEVEL 1 - FULFILLMENT CENTER** (see O.C.G.A. 48-5-48.1 and 48-5-48.2)

CATEGORY 4. "Stock in Trade of a Fulfillment Center" meaning goods, wares, and merchandise held by one in the business of making sales of such goods when such goods are held or stored at a fulfillment center and held less than 12 months and which is made available to REMOTE purchasers who purchase by electronic, internet, telephonic, or other REMOTE means, and where such stock will be shipped from the center to a location other than the fulfillment center.

**For the purpose of Freeport Level 1:**

"Finished Goods" means goods, wares, and merchandise of every character and kind but shall not include unrecovered, unextracted, or unsevered natural resources or raw materials or goods in the process of manufacture or production or the stock in trade of a Retailer. "Stock in Trade of a Retailer" means finished goods held by one in the business of making sales of such goods at retail in this state, within the meaning of Chapter 8 of Title 48, when such goods are held or stored at a business location from which such retail sales are regularly made. Goods stored in a warehouse, dock, or wharf, including a warehouse or distribution center which is part of or adjoins a place of business from which retail sales are regularly made, shall not be considered stock in trade of a retailer to the extent that the taxpayer can establish, through a historical sales or shipment analysis, either of which utilizes information from the preceding calendar year, or other reasonable, documented method, the portion or percentage of such goods which is reasonably anticipated to be shipped outside this state for resale purposes. "Stock in Trade of a Fulfillment Center" means goods, wares, and merchandise held by one in the business of making sales of such goods when such goods are held or stored at a fulfillment center.

**FREEPORT LEVEL 2** (see O.C.G.A. 48-5-48.5 and 48-5-48.6)

FREEPORT LEVEL 2. Inventory of finished goods held by one in the business of making sales of such goods in this state and which includes goods, wares, and merchandise of every character and kind constituting a business' inventory that would not otherwise qualify for a Level 1 freeport exemption

**9. SUPPORTING INFORMATION:** a. Physical location of inventory in this county. (List)

b. Does the taxpayer have written reports to support this Freeport exemption? NO  Yes  Provide the location of such books and records.

c. Provide NAME and CONTACT information for person responsible for answering questions pertaining to this inventory.

**10. OATH OF PERSON MAKING APPLICATION FOR EXEMPTION:** "I do solemnly swear, that I have carefully read (or have heard read) and have duly considered the questions propounded in the foregoing tax list, and that the value placed by me on the property listed as shown, is the true market value thereof, and I further swear, or affirm, that I returned, for the purpose of being taxed thereon, every species of inventory that I own in my right, or have control of, either as agent, executor, administrator, or otherwise; and in making this application, for the purpose of being taxed thereon, I have not attempted, either by transferring my property to another or by any other means, to evade the laws governing taxation in this state. I do further swear, or affirm, that in making this application, I have done so by estimating the true worth and value of every species of inventory contained therein."

(Taxpayer Signature) \_\_\_\_\_ (Title) \_\_\_\_\_ (Date) \_\_\_\_\_

(Preparers Signature) \_\_\_\_\_ (Title) \_\_\_\_\_ (Date) \_\_\_\_\_

**11. DISPOSITION OF THE COUNTY BOARD OF TAX ASSESSORS:**

~ APPROVED ~

~ DISAPPROVED ~