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Freeport Tax Exemptions relieve 95 percent of tax rate on qualifying inventory

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ATHENS, TX: After a year and a half of perseverance, AEDC has leveraged community buy-in from Athens' three highest taxing entities to grant the [Freeport Tax Exemption](#).

On May 1, the Henderson County Commissioner's Court voted to rescind the court's 1989 resolution to deny exemption of Freeport goods to businesses in Henderson County, after approving revenue protection agreements with 12 qualifying companies in Henderson County.

This action follows recent approvals from Athens ISD and the City of Athens granting the Freeport exemption for 11 qualifying companies located within the district or city limits of Athens. Other than the college, Freeport inventory for all other taxing jurisdictions is exempt, consequent to yearly application to the Henderson County Appraisal District.

Freeport goods are any type of inventory that comes into a company's possession for the purpose of assembly, storage, manufacturing, processing or fabricating, then sent back outside the state of Texas within 175 days or less.

"The potential total tax savings of more than \$1.1 million each year to existing companies allows for new capital investment and jobs," said Lisa Denton, AEDC Executive Director. "The key for success in this project was the PILOT (Payment in Lieu of Taxes) agreements, or revenue protection agreements. This was the mechanism to protect the taxing agencies from any sudden, large scale loss of revenue."

Many other communities that Athens competes with offer Freeport Tax Exemptions, including triple Freeport. Previously, this put Athens at a disadvantage for recruiting new companies to expand or relocate to the Athens area and with business retention and expansion.

"I would like to express our appreciation to the participating taxing entities. Their support of this initiative affirms not only their desire to grow the local economy, but also shows support of our existing industries," Ms. Denton said.

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