

APPLICATION FOR TAX CREDIT ON QUALIFIED PROPERTY (Chapter 313, Subchapter D, Tax Code)

School district name Brazosport Independent School District	Phone (area code and number) 979-265-6181
Address P. O. Box Z, Freeport, TX 77542	Application filing date 7/27/2005

This application is for credit for taxes paid on the portion of value in excess of the value limit under Chapter 313, Subchapter B or C, Tax Code, in the two-year qualifying period. You must file this completed application with the school district before September 1 of the year immediately following the second year of the qualifying time period under Subchapter B or C. The school board must determine eligibility of this application before the 90th day from the application filing date. Subject to certain limitations, the school's tax assessor will apply annually one-seventh of the credit to taxes imposed on the qualified property for a seven-year period beginning with the tax year after the date the school board approves the application.

Step 1: Corporation or limited liability company name and address	Only corporations and limited liability companies that received an appraised value limitation under Chapter 313, Subchapter B or C, Tax Code, are eligible for this tax credit.		
	Corporation or limited liability company's name: The Dow Chemical Company		
	Mailing address: Tax Dept, APB Bldg, 2301 Brazosport Blvd.	City, State: Freeport, TX	ZIP code + 4: 77541-3269
	Taxpayer I.D. Number (11 digits): 38-1285128	Appraisal district account number: ABAT-ODOW-013	
	Name of person preparing this application: Leo Scherrer	Title: Sr. Tax Specialist	
	Phone (area code and number): 979-238-9845		

Step 2: Show tax credit amount	What is the full amount of tax credit for which you are applying? The credit will be applied over a seven year period, but please show the total cumulative amount. \$ <u>683,554.69</u>
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Step 3: Provide attachments and supplements	Attach the following items to this application: 1. A copy of the agreement between the applicant and the school district under Section 313.027 or 313.051, Tax Code. 2. A copy of receipts for taxes paid on qualified property during the first two years of the qualifying time period.
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Step 4: Sign and date application	By signing this application, you certify that this information is true and correct and that you are in full compliance with the terms of the attached agreement to the best of your knowledge and belief.	
	print here ▶ <u>Leo Scherrer</u> <i>Authorized signature</i>	
	sign here ▶ <u><i>Leo Scherrer</i></u> <i>Authorized signature</i>	<u>7/27/2005</u> <i>Date</i>
	On behalf of <u>The Dow Chemical Company</u> <i>Name of corporation/company</i>	<u>Sr. Tax Specialist</u> <i>Title</i>

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

RESOLUTION

DETERMINING ELIGIBILITY FOR TAX CREDIT PURSUANT TO TEXAS PROPERTY TAX CODE § 313.104

STATE OF TEXAS §

COUNTY OF BRAZORIA §

RECITALS

WHEREAS, on September 3, 2002, the Superintendent of Schools of the Brazosport Independent School District acting as agent of the Board of Trustees received an Application from The Dow Chemical Company for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code; and,

WHEREAS, the Board of Trustees acknowledged receipt of the Application along with the requisite application fee as established pursuant Texas Property Tax Code § 313.025(a)(1) and District Policy CCG(Local); and,

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Property Tax Code § 313.025(d); and,

WHEREAS, the Application was reviewed by the Texas Comptroller's Office for review pursuant to Texas Property Tax Code § 313.026; and,

WHEREAS, the Board of Trustees has caused to be conducted an economic impact evaluation pursuant to Texas Property Tax Code § 313.026 and has carefully considered such evaluation; and,

WHEREAS, the Application was reviewed by the County Appraisal District established in this County pursuant to the authority of Texas Property Tax Code § 6.01; and,

WHEREAS, on December 3, 2002 the Board of Trustees conducted a public hearing on the Application, as amended, at which it has solicited input into its deliberations on the application from all interested parties within the District; and,

WHEREAS, on December 3, 2002 the Board of Trustees has made factual findings in accordance with the Texas Economic Development Act that this Agreement is in the best interest of the District;

WHEREAS, on December 3, 2002 the Board of Trustees approved an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations. and,

WHEREAS, during the Qualifying Time Period running from January 1, 2003 through December 31, 2004, The Dow Chemical Company Inc. made a Qualifying Investment in as defined by Texas Property Tax Code § 313.021 in the amount of at least Thirty Million Dollars, and,

WHEREAS the investment made by The Dow Chemical Company has been made for the purposes of manufacturing in accordance with the provisions of Texas Property Tax Code § 313.024(b)(1); and,

WHEREAS , the amount of ad valorem taxes which The Dow Chemical Company has paid to the District that were imposed on the portion of the appraised value of the Qualified Property that exceeds the amount of the limitation agreed to by the governing body of the school district under Section 313.027(a)(2) in each year in the applicable Qualifying Time Period has been \$ 683,555.00; and,

WHEREAS, as of the date of the approval of this Resolution, The Dow Chemical Company has not relocated its business outside of the District; and,

WHEREAS, The Dow Chemical Company has timely filed before September 1 of the year immediately following the applicable qualifying time period an application for a tax credit in accordance with the provisions of Texas Property Tax Code § 313.103; and,

WHEREAS, the application for tax credit filed by The Dow Chemical Company was: (1) made on the form prescribed for that purpose by the Texas Comptroller of Public Accounts; (2) was verified by the Applicant; (3) was accompanied by tax receipts from the collector of taxes for the District showing full payment of District ad valorem taxes on the qualified property for the applicable Qualifying Time Period; and,

WHEREAS, the time between the filing of the application for tax credit by The Dow Chemical Company. and the adoption of this resolution has been less that ninety (90) days.


NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Brazosport Independent School District as follows:

1. The application made by The Dow Chemical Company for a tax credit pursuant to Texas Property Tax Code § 313.103 in the total amount of \$ 683,555.00 is approved by the adoption of this Resolution.

2. Beginning with the second tax year (Tax Year 2006) and subsequent six tax years (ending in Tax Year 2012) that begin after the date the application is approved the District's collector of taxes is directed to credit against the taxes imposed on the qualified property by the District in that year an amount equal to \$ 97,650.71 (An amount equal to one-seventh of the total amount of tax credit to which The Dow Chemical Company is entitled under Section 313.102); except that the amount of a credit granted in any of those tax years may not exceed 50 percent of the total amount of ad valorem school taxes imposed on the qualified property by the school district in that tax year.
3. In the first tax year that begins on or after the date that The Dow Chemical Company's eligibility for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax expires, (tax year 2013) the District's collector of taxes is directed to credit against the taxes imposed on the qualified property by the District in that year an amount equal to the portion of the total amount of tax credit to which The Dow Chemical Company is entitled under Section 313.102 that was not credited against the person's taxes under Paragraph (2), above, in a tax year covered by Paragraph (2), except that the amount of a tax credit granted under this paragraph in any tax year may not exceed the total amount of ad valorem school taxes imposed on the qualified property by the school district in that tax year.
4. Prior to making any tax credit payments under Sections (2) or (3), above, the District's tax collector is directed to determine whether The Dow Chemical Company has relocated outside the District. In the event that The Dow Chemical Company has relocated outside the District, no tax credit will be paid for either the tax year in which the owner relocates the business outside the school district or the tax years thereafter.
5. If the Texas Comptroller of Public Accounts or the District's tax collector, after providing notice and the opportunity for a response, determine that The Dow Chemical Company was either not eligible for the credit or received more credit than it was entitled, then the District shall impose an additional tax on the qualified property that is equal to the amount of tax credit that was erroneously taken, plus interest at an annual rate of 7.0% calculated from the date on which the credit was issued. A tax lien attaches to the qualified property in favor of the school district to secure payment by the person of the additional tax and interest that are imposed and any penalties incurred. A taxpayer which is delinquent in the payment of an additional tax may not submit a subsequent application or receive a tax credit under this subsection in a subsequent year.

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Applicant in duplicate originals on September 5, 2006

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: 
President, Board of Trustees

ATTEST:

By: 
Secretary, Board of Trustees

ORDINANCE SETTING TAX RATE

September 2, 2003

On this date, we, the Board of Trustees of the Brazosport Independent School District, hereby levy or set the tax rate on \$100 valuation for the District for the tax year 2003 at a total rate of \$1.4728, to be assessed and collected by the duly specified assessor and collector as follows:

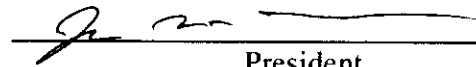
\$1.3626 for the purpose of maintenance and operation, and

\$0.1102 for the purpose of payment of principal and interest on bonded indebtedness.

Such taxes are to be assessed and collected by the tax officials designated by the District.

IN CERTIFICATION THEREOF:

Signed:



President

Attest:



Secretary

ORDINANCE SETTING TAX RATE

September 7, 2004

On this date, we, the Board of Trustees of the Brazosport Independent School District, hereby levy or set the tax rate on \$100 valuation for the District for the tax year 2004 at a total rate of \$1.5228, to be assessed and collected by the duly specified assessor and collector as follows:

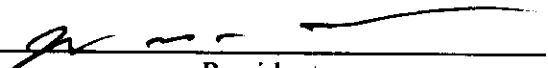
\$1.3626 for the purpose of maintenance and operation, and

\$0.1602 for the purpose of payment of principal and interest on bonded indebtedness.

Such taxes are to be assessed and collected by the tax officials designated by the District.

IN CERTIFICATION THEREOF:

Signed:



President

Attest:



Secretary

SECTION D - # 3

YEAR	TAX UNIT	TAX VALUE	VALUE LIMITATION	NET OVER	TAX RATE			QUALIFIED CREDIT
					M&O	I&S	TOTAL	
2003	BRAZOSPORT ISD	22,565,090	30,000,000	(7,434,910)	1.3626	0.1102	1.4728	0
2004	BRAZOSPORT ISD	80,165,490	30,000,000	50,165,490	1.3626	0.1602	1.5228	683,554.97

CALCULATION

VALUE	50,165,490
PER/\$100 VALUE	100
	<u>501,654.90</u>
M&O RATE	1.3626
CREDIT	<u><u>683,554.97</u></u>

2004	
80,165,490	80,165,490
1.3626	0.1602
<u>1,092,334.97</u>	<u>128,425.11</u>
	1,220,760.08

2003	
22,565,090	22,565,090
1.3626	0.1102
<u>307,471.92</u>	<u>24,866.73</u>
	332,338.65

COMPOSITE TAX RECEIPT



RO'VIN GARRETT, RTA
BRAZORIA COUNTY TAX ASSESSOR - COLLECTOR
111 E. LOCUST,
ANGLETON, TEXAS 77515

Certified Owner:

DOW CHEMICAL COMPANY
TAX DEPT
2301 N BRAZOSPORT BLVD
FREEPORT , TX 77541-3257

Legal Description:

TAX ABATEMENT, (IMP ONLY)
(PMDI-POLYMERIC METHYLENE DIIPHENYL
DISOCYANATE) (2003-2009)

Parcel Address: 0

Legal Acres: 0.0000

Account No: ABAT-ODOW-013

Year : 2004

Print Date : 07/14/2005

Operator Code: HELP

Rec Type : Levy

Year	Tax Unit Name	Tax Value	Tax Rate	Levy	Penalty & Interest	Attorney	Refund	Total
2004	BRAZOSPORT ISD	80,165,490	1.522800	1,220,760.08	0.00	0.00	0.00	1,220,760.08
2004	OVERPAYMENT/UNDERPAYMENT	0	0.000000	0.00	0.00	0.00	0.00	0.00
Levy Total :				\$1,220,760.08	\$0.00	\$0.00	\$0.00	\$1,220,760.08
Gross Total :				\$1,220,760.08	\$0.00	\$0.00	\$0.00	\$1,220,760.08

LAST PAYER:

DOW CHEMICAL COMPANY
TAX DEPT
2301 N BRAZOSPORT BLVD
FREEPORT , TX 77541-3257

LAST PAYMENT DATE: 05/18/2005