

TAXES AND UNION ACTIVITY

Rising business costs and constrictive regulatory environments raise the risks and costs to a business. Stability of the political, economic and legal systems is vital for success. The tax burdens and labor requirements imposed on businesses create barriers to market entry and real estate development. Texas is a low-tax, business-friendly state attracting large numbers of companies from all over the United States and globally due to the low cost of doing business. As a "right-to-work" state, Texas places high in favorable tax climate rankings while the Dallas-Fort Worth metro area exhibits extremely low union activity.

SALES TAX RATE

STATE: 6 1/4% (0.0625)

CITY: 1/4% (0.0025) - **2%** (0.02), depending on local option rate

COUNTY: 1/2% (0.0025) - **1 1/2%** (0.015), depending on local option rate

TRANSIT: 1/4% (0.0025) - **1%** (0.01), depending on local option rate

SPECIAL PURPOSE DISTRICTS: 1/8% (0.00125) - **2%** (0.02), depending on local option rate

DFW COMMUNITIES SALES TAX SAMPLE

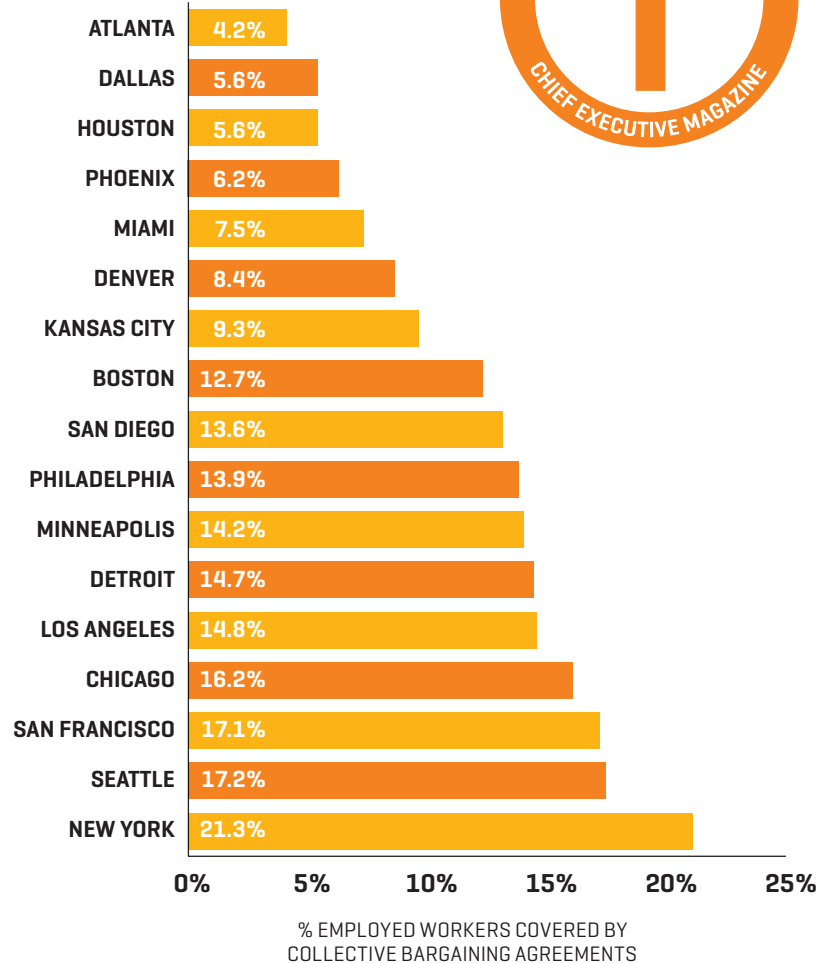
CITY	STATE RATE	CITY RATE	OTHER RATE	OTHER TYPE	TOTAL RATE
PLANO	0.0625	0.0100	0.0100	MTA	0.0825
DALLAS	0.0625	0.0100	0.0100	MTA	0.0825
DENTON	0.0625	0.0150	0.0050	CTA	0.0825
FORT WORTH	0.0625	0.0100	0.0050	MTA	0.0825
			0.0050	CCD	

MTA = Metropolitan Transit Authority; CCD = Crime Control District; CTA = County Transit Authority

Source: Texas Comptroller's Office



UNION ACTIVITY IN SELECTED METROS



SOURCE: Current Population Survey (CPS) Outgoing Rotation Group (ORG) Earnings Files, 2015, compiled by unionstats.com

TEXAS FRANCHISE TAX

Each taxable entity formed in Texas or doing business in Texas must file and pay franchise tax, such as corporations, LLCs, banks, partnerships and business associations. The tax does not apply to sole proprietorships, general partnerships with individual owners, nonprofits, or entities with \$1.1 million in gross receipts or less.

TEXAS FRANCHISE TAX RATES

- 0.75% (0.0075) of margin for most taxable entities
- 0.375% (0.00375) for qualifying wholesalers and retailers
- 0.331% (0.00331) for those entities with \$20 million or less in Total Revenue (annualized per 12-month period on which the report is based)

More information is available by contacting the Texas Comptroller of Public Accounts at 1-800-252-1381 or visiting <http://www.window.state.tx.us/taxinfo/franchise/>

TEXAS DOES NOT COLLECT

- Personal Income Tax (State or Local)
- Local Occupation Tax
- Local Wage Tax
- State Property Tax

2016 DALLAS-FORT WORTH PROPERTY TAX RATES

COUNTIES	RATE	Garland	\$0.704600	Seagoville	\$0.743800	Era ISD	\$1.308000	Poolville ISD	\$1.383500
Collin	\$0.225000	Glenn Heights	\$0.935530	Southlake	\$0.462000	Everman ISD	\$1.525000	Princeton ISD	\$1.620000
Dallas	\$0.243100	Granbury	\$0.397584	Sunnyvale	\$0.407962	Farmersville ISD	\$1.390000	Prosper ISD	\$1.670000
Denton	\$0.261990	Grand Prairie	\$0.669998	Terrell	\$0.724200	Ferris ISD	\$1.355000	Quinlan ISD	\$1.240000
Ellis	\$0.380091	Grapevine	\$0.289271	The Colony	\$0.667500	Forney ISD	\$1.540000	Red Oak ISD	\$1.540000
Hood	\$0.368066	Greenville	\$0.699000	Trophy Club	\$0.473000	Fort Worth ISD	\$1.352000	Richardson ISD	\$1.390050
Hunt	\$0.490379	Haltom City	\$0.699990	University Park	\$0.248761	Frisco ISD	\$1.460000	Rio Vista ISD	\$1.600000
Johnson	\$0.422663	Heath	\$0.417311	Watauga	\$0.618411	Frost ISD	\$1.220800	Rockwall ISD	\$1.465000
Kaufman	\$0.588700	Hickory Creek	\$0.387319	Waxahachie	\$0.680000	Garland ISD	\$1.353300	Royse City ISD	\$1.670000
Parker	\$0.333780	Highland Park	\$0.220000	Weatherford	\$0.511600	Glen Rose ISD	\$0.974000	Sanger ISD	\$1.372067
Rockwall	\$0.375900	Highland Village	\$0.569630	White Settlement	\$0.755693	Godley ISD	\$1.540000	Boles ISD	\$1.542940
Somervell	\$0.461590	Hurst	\$0.587900	Willow Park	\$0.536700	Granbury ISD	\$1.250000	Bland ISD	\$1.488000
Tarrant	\$0.285693	Hutchins	\$0.682459	Wylie	\$0.848900	Grand Prairie ISD	\$1.595000	Campbell ISD	\$1.040000
Wise	\$0.346400	Irving	\$0.594100			Grandview ISD	\$1.400000	Celeste ISD	\$1.490060
		Joshua	\$0.775270			Grapevine-Colleyville ISD	\$1.396700	Caddo Mills ISD	\$1.455000
		Kaufman	\$0.777725			Gunter ISD	\$1.620000	Commerce ISD	\$1.543600
		Keene	\$0.897823			Highland Park ISD	\$1.152700	Cooper ISD	\$1.490000
		Keller	\$0.430000			Hurst-Eules-Bedford ISD	\$1.316000	Community ISD	\$1.625000
		Kennedale	\$0.767500			Irving ISD	\$1.445000	Cumby ISD	\$1.300000
		Krum	\$0.647489			Italy ISD	\$1.584972	Scurry-Rosser ISD	\$1.250000
		Lake Dallas	\$0.668068			Joshua ISD	\$1.610000	Fannindel ISD	\$1.260000
		Lake Worth	\$0.460660			Kaufman ISD	\$1.460000	Greenville ISD	\$1.309170
		Lancaster	\$0.867500			Keene ISD	\$1.430000	Leonard ISD	\$1.266200
		Lewisville	\$0.436086			Keller ISD	\$1.520000	Slidell ISD	\$1.135000
		Little Elm	\$0.661687			Kennedale ISD	\$1.486724	Lone Oak ISD	\$1.318950
		Lucas	\$0.317948			Krum ISD	\$1.540000	Springtown ISD	\$1.429000
		Mansfield	\$0.710000			Lake Dallas ISD	\$1.670000	Sunnyvale ISD	\$1.426000
		McKinney	\$0.573000			Lancaster ISD	\$1.540000	Wolf City ISD	\$1.344000
		Melissa	\$0.610000			Leonard ISD	\$1.266200	Tarrant County College [CCD]	\$0.144730
		Mesquite	\$0.687000			Lewisville ISD	\$1.420000	Terrell ISD	\$1.600000
		Midlothian	\$0.708244			Lipian ISD	\$1.505000	Tolar ISD	\$1.441200
		Murphy	\$0.510000			Little Elm ISD	\$1.540000	Trenton ISD	\$1.460000
		North Richland Hills	\$0.610000			Lovejoy ISD	\$1.670000	Van Alstyne ISD	\$1.520000
		Parker	\$0.365984			Mansfield ISD	\$1.510000	Venus ISD	\$1.587600
		Plano	\$0.478600			Maypearl ISD	\$1.317000	Waxahachie ISD	\$1.553900
		Princeton	\$0.689890			McKinney ISD	\$1.620000	Weatherford ISD	\$1.469000
		Prosper	\$0.520000			Melissa ISD	\$1.670000	White Settlement ISD	\$1.540000
		Providence	\$0.857815			Mesquite ISD	\$1.460000	Whitewright ISD	\$1.350000
		Red Oak	\$0.649000			Midlothian ISD	\$1.540000	Wylie ISD	\$1.640000
		Richardson	\$0.625160			Millsap ISD	\$1.665000		
		Richland Hills	\$0.595633			Mineral Wells ISD	\$1.430000	OTHER	
		River Oaks	\$0.794444			Northwest ISD	\$1.452500	Dallas County Parkland Hospital (HD)	\$0.286000
		Roanoke	\$0.375120			Palmer ISD	\$1.475000	Dallas County School Equalization (SET)	\$0.010000
		Rockwall	\$0.454300			Peaster ISD	\$1.400000	Tarrant County Water District (WD)	\$0.020000
		Rowlett	\$0.787173			Perrin Whitt ISD	\$1.240000	Tarrant County Hospital (HD)	\$0.227897
		Royse City	\$0.677100			Pilot Point ISD	\$1.370000		
		Sachse	\$0.757279			Plano ISD	\$1.439000		
		Saginaw	\$0.513000			Ponder ISD	\$1.467840		
		Sanger	\$0.679500						
		Sansom Park	\$0.767304						

SOURCES: Collin, Dallas, Denton, Ellis, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Somervell, Tarrant, and Wise County Appraisal Districts

SAMPLE PROPERTY TAX INFORMATION FOR DFW COMMUNITIES 2016 RATE Per \$100 of Taxable Valuation

CITY	CITY RATE	COUNTY	COUNTY RATE	SCHOOL DISTRICT	SCHOOL DISTRICT RATE	OTHER TYPE	OTHER TYPE RATE	TOTAL RATE
PLANO	\$0.478600	COLLIN	\$0.208395	PLANO ISD	\$1.439000	CCD	\$0.081960	\$2.256060
						SET	\$0.009271	\$2.742960
DALLAS	\$0.782500	DALLAS	\$0.243100	DALLAS ISD	\$1.282085	HD	\$0.279400	
						CCD	\$0.122933	
DENTON	\$0.683340	DENTON	\$0.248409	DENTON ISD	\$1.540000			\$2.501950
						WD	\$0.019400	\$2.838397
FORT WORTH	\$0.835000	TARRANT	\$0.254000	FORT WORTH ISD	\$1.352000	HD	\$0.227897	
						CCD	\$0.144730	

SET = School Equalization Tax; HD = Hospital District; WD = Water District; CCD = Community College District