

# 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

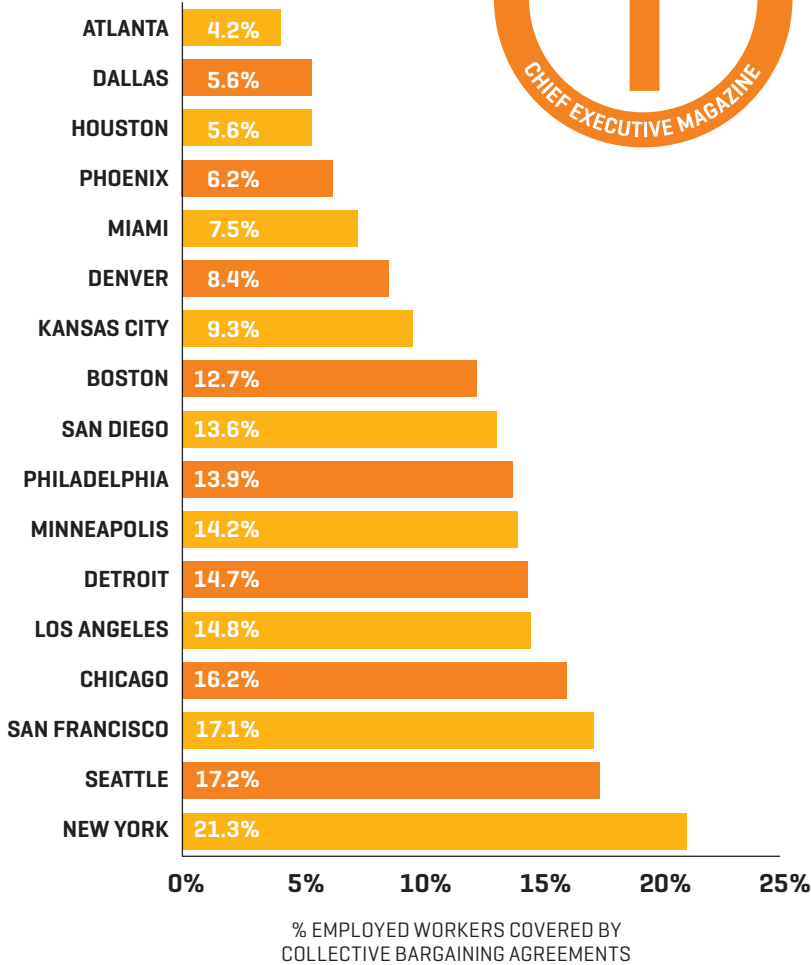
| CITY              | STATE RATE | CITY RATE | OTHER RATE | OTHER TYPE | TOTAL RATE |
|-------------------|------------|-----------|------------|------------|------------|
| <b>PLANO</b>      | 0.0625     | 0.0100    | 0.0100     | MTA        | 0.0825     |
| <b>DALLAS</b>     | 0.0625     | 0.0100    | 0.0100     | MTA        | 0.0825     |
| <b>DENTON</b>     | 0.0625     | 0.0150    | 0.0050     | CTA        | 0.0825     |
| <b>FORT WORTH</b> | 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       | COUNTIES             | RATE       | COUNTIES                           | RATE       | COUNTIES                  | RATE       |
|-----------|------------|----------------------|------------|------------------------------------|------------|---------------------------|------------|
| Collin    | \$0.225000 | Garland              | \$0.704600 | Seagoville                         | \$0.743800 | Era ISD                   | \$1.308000 |
| Dallas    | \$0.243100 | Glenn Heights        | \$0.935530 | Southlake                          | \$0.462000 | Everman ISD               | \$1.525000 |
| Denton    | \$0.261990 | Granbury             | \$0.397584 | Sunnyvale                          | \$0.407962 | Farmersville ISD          | \$1.390000 |
| Ellis     | \$0.380091 | Grand Prairie        | \$0.669998 | Terrell                            | \$0.724200 | Ferris ISD                | \$1.355000 |
| Hood      | \$0.368066 | Grapevine            | \$0.289271 | The Colony                         | \$0.667500 | Forney ISD                | \$1.540000 |
| Hunt      | \$0.490379 | Greenville           | \$0.699000 | Trophy Club                        | \$0.473000 | Fort Worth ISD            | \$1.352000 |
| Johnson   | \$0.422663 | Haltom City          | \$0.699990 | University Park                    | \$0.248761 | Frisco ISD                | \$1.460000 |
| Kaufman   | \$0.588700 | Heath                | \$0.417311 | Watauga                            | \$0.618411 | Frost ISD                 | \$1.220800 |
| Parker    | \$0.333780 | Hickory Creek        | \$0.387319 | Waxahachie                         | \$0.680000 | Garland ISD               | \$1.353300 |
| Rockwall  | \$0.375900 | Highland Park        | \$0.220000 | Weatherford                        | \$0.511600 | Glen Rose ISD             | \$0.974000 |
| Somervell | \$0.461590 | Highland Village     | \$0.569630 | White Settlement                   | \$0.755693 | Godley ISD                | \$1.540000 |
| Tarrant   | \$0.285693 | Hurst                | \$0.587900 | Willow Park                        | \$0.536700 | Granbury ISD              | \$1.250000 |
| Wise      | \$0.346400 | Hutchins             | \$0.682459 | Wylie                              | \$0.848900 | Grand Prairie ISD         | \$1.595000 |
|           |            | Irving               | \$0.594100 |                                    |            | Grandview ISD             | \$1.400000 |
|           |            | Joshua               | \$0.775270 |                                    |            | Grapevine-Colleyville ISD | \$1.396700 |
|           |            | Kaufman              | \$0.777725 | <b>SCHOOLS</b>                     |            | Gunter ISD                | \$1.620000 |
|           |            | Keene                | \$0.897823 | Aledo ISD                          | \$1.595000 | Highland Park ISD         | \$1.152700 |
|           |            | Keller               | \$0.430000 | Allen ISD                          | \$1.590000 | Hurst-Eules-Bedford ISD   | \$1.316000 |
|           |            | Kennedale            | \$0.767500 | Alvarado ISD                       | \$1.461000 | Irving ISD                | \$1.445000 |
|           |            | Krum                 | \$0.647489 | Alvord ISD                         | \$0.013540 | Italy ISD                 | \$1.584972 |
|           |            | Lake Dallas          | \$0.668068 | Anna ISD                           | \$1.670000 | Joshua ISD                | \$1.610000 |
|           |            | Lake Worth           | \$0.460660 | Argyle ISD                         | \$1.570050 | Kaufman ISD               | \$1.460000 |
|           |            | Lancaster            | \$0.867500 | Arlington ISD                      | \$1.390080 | Keene ISD                 | \$1.430000 |
|           |            | Lewisville           | \$0.436086 | Aubrey ISD                         | \$1.510000 | Keller ISD                | \$1.520000 |
|           |            | Little Elm           | \$0.661687 | Avalon ISD                         | \$1.233400 | Kennedale ISD             | \$1.486724 |
|           |            | Lucas                | \$0.317948 | Azle ISD                           | \$1.203000 | Krum ISD                  | \$1.540000 |
|           |            | Mansfield            | \$0.710000 | Birdville ISD                      | \$1.412952 | Lake Dallas ISD           | \$1.670000 |
|           |            | McKinney             | \$0.573000 | Bland ISD                          | \$1.488000 | Lake Worth ISD            | \$1.670000 |
|           |            | Melissa              | \$0.610000 | Blue Ridge ISD                     | \$1.571490 | Lancaster ISD             | \$1.540000 |
|           |            | Mesquite             | \$0.687000 | Bluff Dale ISD                     | \$1.090000 | Leonard ISD               | \$1.266200 |
|           |            | Midlothian           | \$0.708244 | Brock ISD                          | \$1.550000 | Lewisville ISD            | \$1.420000 |
|           |            | Murphy               | \$0.510000 | Burleson ISD                       | \$1.540000 | Lipian ISD                | \$1.505000 |
|           |            | North Richland Hills | \$0.610000 | Carroll ISD                        | \$1.390000 | Little Elm ISD            | \$1.540000 |
|           |            | Parker               | \$0.365984 | Carrollton Farmers Branch ISD      | \$1.391700 | Lovejoy ISD               | \$1.670000 |
|           |            | Plano                | \$0.478600 | Castleberry ISD                    | \$1.376600 | Mansfield ISD             | \$1.510000 |
|           |            | Princeton            | \$0.689890 | Cedar Hill ISD                     | \$1.516000 | Maypearl ISD              | \$1.317000 |
|           |            | Prosper              | \$0.520000 | Celina ISD                         | \$1.640000 | McKinney ISD              | \$1.620000 |
|           |            | Providence           | \$0.857815 | Cleburne ISD                       | \$1.630000 | Melissa ISD               | \$1.670000 |
|           |            | Red Oak              | \$0.649000 | Collin College (CCD)               | \$0.081222 | Mesquite ISD              | \$1.460000 |
|           |            | Richardson           | \$0.625160 | Collin College (CCD)               | \$0.081222 | Midlothian ISD            | \$1.540000 |
|           |            | Richland Hills       | \$0.595633 | Community ISD                      | \$1.625000 | Milford ISD               | \$1.170000 |
|           |            | River Oaks           | \$0.794444 | Coppell ISD                        | \$1.492700 | Millsap ISD               | \$1.665000 |
|           |            | Roanoke              | \$0.375120 | Crandall ISD                       | \$1.520000 | Mineral Wells ISD         | \$1.430000 |
|           |            | Rockwall             | \$0.454300 | Crowley ISD                        | \$1.650000 | Northwest ISD             | \$1.452500 |
|           |            | Rowlett              | \$0.787173 | Dallas Co. Community College (CCD) | \$0.122933 | Palmer ISD                | \$1.475000 |
|           |            | Royse City           | \$0.677100 | Dallas ISD                         | \$1.282085 | Peaster ISD               | \$1.400000 |
|           |            | Sachse               | \$0.757279 | DeSoto ISD                         | \$1.460000 | Perrin Whitt ISD          | \$1.240000 |
|           |            | Saginaw              | \$0.513000 | Duncanville ISD                    | \$1.521480 | Pilot Point ISD           | \$1.370000 |
|           |            | Sanger               | \$0.679500 | Eagle Mountain-Saginaw ISD         | \$1.540000 | Plano ISD                 | \$1.439000 |
|           |            | Sansom Park          | \$0.767304 | Ennis ISD                          | \$1.540000 | Ponder ISD                | \$1.467840 |

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        |
|-------------------|------------|----------------|-------------|-----------------------|----------------------|------------|-----------------|-------------------|
| <b>PLANO</b>      | \$0.478600 | <b>COLLIN</b>  | \$0.208395  | <b>PLANO ISD</b>      | \$1.439000           | CCD        | \$0.081960      | <b>\$2.256060</b> |
|                   |            |                |             |                       |                      | SET        | \$0.009271      | <b>\$2.742960</b> |
| <b>DALLAS</b>     | \$0.782500 | <b>DALLAS</b>  | \$0.243100  | <b>DALLAS ISD</b>     | \$1.282085           | HD         | \$0.279400      |                   |
|                   |            |                |             |                       |                      | CCD        | \$0.122933      |                   |
| <b>DENTON</b>     | \$0.683340 | <b>DENTON</b>  | \$0.248409  | <b>DENTON ISD</b>     | \$1.540000           |            |                 | <b>\$2.501950</b> |
|                   |            |                |             |                       |                      | WD         | \$0.019400      | <b>\$2.838397</b> |
| <b>FORT WORTH</b> | \$0.835000 | <b>TARRANT</b> | \$0.254000  | <b>FORT WORTH ISD</b> | \$1.352000           | HD         | \$0.227897      |                   |
|                   |            |                |             |                       |                      | CCD        | \$0.144730      |                   |

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