

TAXES AND UNION ACTIVITY

Increasing business costs combined with ever-constrictive regulatory environments contribute to the rise of a business' risks and costs. Tax burdens and labor requirements imposed on businesses create barriers to market entry and real estate development.

Texas is a low-tax, business-friendly, right-to-work state. Companies from all over the United States and around the world come to do business in Texas because of low costs, central locations, and an industry environment favorable to growth and development.

Because Texas is a right-to-work state—meaning employees are not required to join unions—it places high in favorable tax climate rankings. The DFW area has extremely low union activity.

SALES TAX RATE

STATE: **6 1/4%** (0.0625)

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

COUNTY: **1/2% - 1 1/2%** (.005 - 0.015), depending on local option rate

TRANSIT: **1/4% - 1%** (.0025 - 0.01), depending on local option rate

SPECIAL PURPOSE DISTRICTS: **1/8% - 2%** (.00125 - 0.02), depending on local option rate

DFW COMMUNITIES SALES TAX SAMPLE

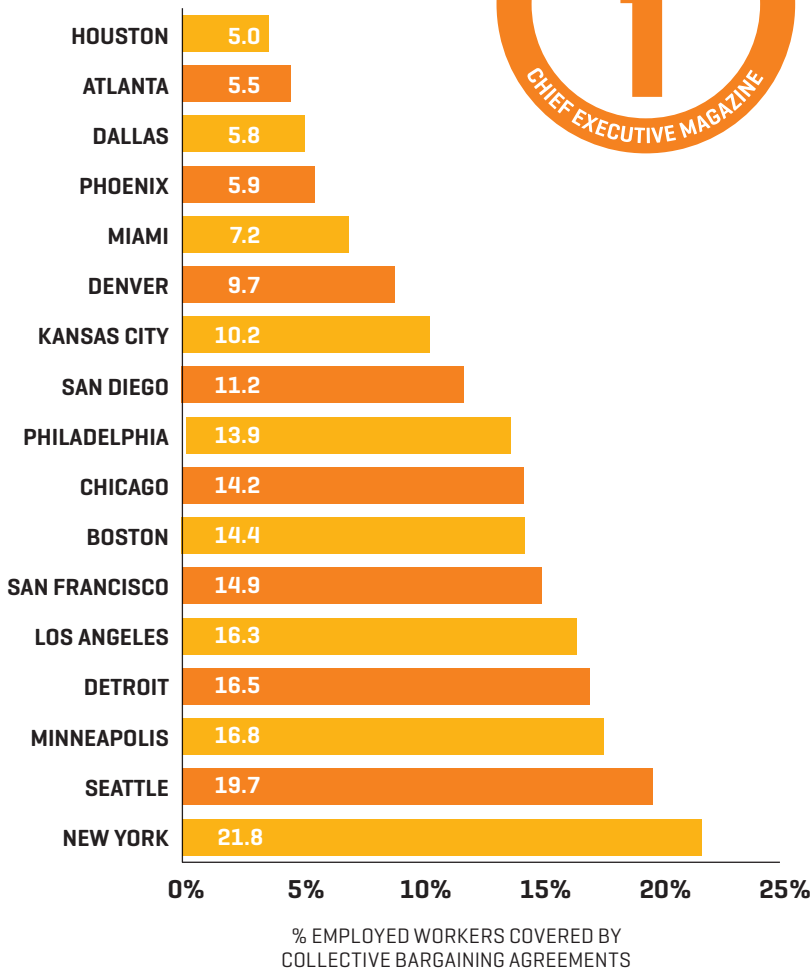
| CITY | STATE RATE | CITY RATE | OTHER RATE | OTHER TYPE | TOTAL RATE |
|-------------------|------------|-----------|------------|------------|------------|
| PLANO | 0.0625 | 0.0100 | 0.0100 | MTA | 0.0825 |
| DALLAS | 0.0625 | 0.0100 | 0.0100 | MTA | 0.0825 |
| DENTON | 0.0625 | 0.0150 | 0.0050 | 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, 2018, 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 certain trusts, among others.

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 <https://comptroller.texas.gov/taxes/franchise/>

TEXAS DOES NOT COLLECT

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

2018 DALLAS-FORT WORTH PROPERTY TAX RATES

| COUNTIES | RATE | COUNTIES | RATE | COUNTIES | RATE | COUNTIES | RATE |
|----------------|------------|----------------------|------------|---------------------------------------|------------|----------------------------|------------|
| Collin | \$0.180785 | Glenn Heights | \$0.879181 | Terrell | \$0.764200 | Eagle Mountain-Saginaw ISD | \$1.540000 |
| Dallas | \$0.243100 | Granbury | \$0.399385 | The Colony | \$0.662500 | Ennis ISD | \$1.540000 |
| Denton | \$0.225574 | Grand Prairie | \$0.669998 | Trophy Club | \$0.446442 | Era ISD | \$1.210000 |
| Ellis | \$0.338984 | Grapevine | \$0.289271 | University Park | \$0.245379 | Everman ISD | \$1.495000 |
| Hood | \$0.377698 | Greenville | \$0.652162 | Watauga | \$0.601788 | Farmersville ISD | \$1.320000 |
| Hunt | \$0.511899 | Haltom City | \$0.653000 | Waxahachie | \$0.680000 | Ferris ISD | \$1.517300 |
| Johnson | \$0.441700 | Heath | \$0.389105 | Weatherford | \$0.489860 | Forney ISD | \$1.540000 |
| Kaufman | \$0.478700 | Hickory Creek | \$0.347535 | White Settlement | \$0.762186 | Fort Worth ISD | \$1.352000 |
| Parker | \$0.302318 | Highland Park | \$0.220000 | Willow Park | \$0.536700 | Frisco ISD | \$1.440000 |
| Rockwall | \$0.328400 | Highland Village | \$0.563020 | Wylie | \$0.725848 | Frost ISD | \$1.592500 |
| Somervell | \$0.461590 | Hurst | \$0.580000 | SCHOOLS | | Garland ISD | \$1.460000 |
| Tarrant | \$0.234000 | Hutchins | \$0.682459 | Aledo ISD | \$1.595000 | Glen Rose ISD | \$0.990000 |
| Wise | \$0.322500 | Irving | \$0.594100 | Allen ISD | \$1.550000 | Godley ISD | \$1.540000 |
| | | Joshua | \$0.775270 | Alvarado ISD | \$1.461000 | Granbury ISD | \$1.195000 |
| CITIES | | Kaufman | \$0.898650 | Alvord ISD | \$1.354000 | Grand Prairie ISD | \$1.595000 |
| Addison | \$0.550000 | Keene | \$0.897823 | Anna ISD | \$1.670000 | Grandview ISD | \$1.266100 |
| Allen | \$0.498000 | Keller | \$0.413250 | Argyle ISD | \$1.585050 | Grapevine-Colleyville ISD | \$1.396700 |
| Anna | \$0.591288 | Kennedale | \$0.725714 | Arlington ISD | \$1.368670 | Greenville ISD | \$1.298481 |
| Arlington | \$0.634800 | Krum | \$0.647489 | Aubrey ISD | \$1.590000 | Gunter ISD | \$1.620000 |
| Azle | \$0.667287 | Lake Dallas | \$0.661750 | Avalon ISD | \$1.230700 | Highland Park ISD | \$1.235500 |
| Balch Springs | \$0.803000 | Lake Worth | \$0.434806 | Azle ISD | \$1.329000 | Hurst-Euleless-Bedford ISD | \$1.273000 |
| Bedford | \$0.561862 | Lancaster | \$0.867500 | Birdville ISD | \$1.453900 | Irving ISD | \$1.401100 |
| Benbrook | \$0.640000 | Lewisville | \$0.436086 | Bland ISD | \$1.364000 | Italy ISD | \$1.519000 |
| Burleson | \$0.735000 | Little Elm | \$0.649900 | Blue Ridge ISD | \$1.571490 | Joshua ISD | \$1.520000 |
| Carrollton | \$0.594970 | Lucas | \$0.303216 | Bluff Dale ISD | \$1.370000 | Kaufman ISD | \$1.550000 |
| Cedar Hill | \$0.697028 | Mansfield | \$0.710000 | Boles ISD | \$1.542940 | Keene ISD | \$1.401100 |
| Celina | \$0.645000 | McKinney | \$0.525170 | Brock ISD | \$1.620000 | Keller ISD | \$1.510000 |
| Cleburne | \$0.804018 | Melissa | \$0.609541 | Burleson ISD | \$1.670000 | Kennedale ISD | \$1.451694 |
| Cockrell Hill | \$0.988947 | Mesquite | \$0.730000 | Caddo Mills ISD | \$1.455000 | Krum ISD | \$1.540000 |
| Colleyville | \$0.320800 | Midlothian | \$0.708244 | Campbell ISD | \$1.040000 | Lake Dallas ISD | \$1.670000 |
| Commerce | \$0.820000 | Murphy | \$0.490000 | Carroll ISD | \$1.380000 | Lake Worth ISD | \$1.670000 |
| Coppell | \$0.569500 | North Richland Hills | \$0.585000 | Carrallton Farmers Branch ISD | \$1.370000 | Lancaster ISD | \$1.530000 |
| Corinth | \$0.530000 | Parker | \$0.365984 | Castleberry ISD | \$1.392200 | Leonard ISD | \$1.170000 |
| Crowley | \$0.709000 | Plano | \$0.460300 | Cedar Hill ISD | \$1.376000 | Lewisville ISD | \$1.407500 |
| Dallas | \$0.776700 | Princeton | \$0.688820 | Celeste ISD | \$1.430600 | Lipan ISD | \$1.480000 |
| Decatur | \$0.667000 | Prosper | \$0.520000 | Celina ISD | \$1.640000 | Little Elm ISD | \$1.640000 |
| Denton | \$0.620477 | Providence | \$0.799718 | Cleburne ISD | \$1.630000 | Lone Oak ISD | \$1.310000 |
| DeSoto | \$0.721394 | Red Oak | \$0.705480 | Collin College (CCD) | \$0.081222 | Lovejoy ISD | \$1.670000 |
| Duncanville | \$0.758447 | Richardson | \$0.625160 | Commerce ISD | \$1.539300 | Mansfield ISD | \$1.540000 |
| Ennis | \$0.710000 | Richland Hills | \$0.541880 | Community ISD | \$1.670000 | Maypearl ISD | \$1.289000 |
| Euleless | \$0.462500 | River Oaks | \$0.749400 | Coppell ISD | \$1.460500 | McKinney ISD | \$1.590000 |
| Everman | \$1.113943 | Roanoke | \$0.375120 | Crandall ISD | \$1.540000 | Melissa ISD | \$1.670000 |
| Fairview | \$0.349709 | Rockwall | \$0.402100 | Crowley ISD | \$1.670000 | Mesquite ISD | \$1.520000 |
| Farmers Branch | \$0.599507 | Rowlett | \$0.757173 | Cumby ISD | \$1.300000 | Midlothian ISD | \$1.540000 |
| Fate | \$0.291100 | Royse City | \$0.621500 | Dallas County Community College (CCD) | \$0.124000 | Milford ISD | \$1.170000 |
| Flower Mound | \$0.439000 | Sachse | \$0.720000 | Dallas ISD | \$1.412035 | Millsap ISD | \$1.592200 |
| Forest Hill | \$0.992873 | Saginaw | \$0.471800 | Denton ISD | \$1.540000 | Mineral Wells ISD | \$1.430000 |
| Forney | \$0.621110 | Sanger | \$0.679100 | DeSoto ISD | \$1.490000 | Northwest ISD | \$1.490000 |
| Fort Worth | \$0.785000 | Sansom Park | \$0.787304 | Duncanville ISD | \$1.520000 | Palmer ISD | \$1.435000 |
| Frisco | \$0.446600 | Seagoville | \$0.743800 | | | Peaster ISD | \$1.440000 |
| Garland | \$0.704600 | Southlake | \$0.447000 | | | | |
| | | Sunnyvale | \$0.412900 | | | | |

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 2018 RATE Per \$100 of Taxable Valuation

| CITY | COUNTY | SCHOOL DISTRICT | OTHER | TOTAL | |
|-------------------|------------|-----------------|----------------------------------|----------------|-------------------|
| PLANO | \$0.460300 | COLLIN | PLANO ISD \$1.439000 | CCD \$0.081222 | \$2.161307 |
| DALLAS | \$0.782500 | DALLAS | DALLAS ISD \$1.412035 | SET \$0.010000 | \$2.851035 |
| | | | HD \$0.279400 | CCD \$0.124000 | |
| DENTON | \$0.620477 | DENTON | DENTON ISD \$1.540000 | | \$2.386051 |
| FORT WORTH | \$0.785000 | TARRANT | FORT WORTH ISD \$1.322000 | WD \$0.019400 | \$2.750899 |
| | | | | HD \$0.224429 | |
| | | | | CCD \$0.136070 | |

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