

Taxes and Union Activity

Increasing business costs combined with ever-constrictive regulatory environments contribute to the rise of a business's 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: 1/4% - 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

Texas Franchise Tax

Each taxable entity formed in Texas or doing business in Texas, such as corporations, LLCs, banks, or partnerships, must file franchise tax reports. This tax applies only to entities earning above a certain threshold. For example, in 2020 and 2021, entities earning up to \$1.18M will pay no franchise taxes. 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

2020 Dallas-Fort Worth Property Tax Rates

COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE
Collin	\$0.172531	University Park	\$0.264750	North	\$0.575700	Era ISD	\$1.136400
Dallas	\$0.239740	Corinth	\$0.578170	Richland Hills	\$0.558551	Krum ISD	\$1.540000
Denton	\$0.393323	Denton	\$0.590454	River Oaks	\$0.697374	Lake Dallas ISD	\$1.550300
Ellis	\$0.320194	Flower Mound	\$0.436500	Saginaw	\$0.461579	Lewisville ISD	\$1.347300
Hood	\$0.423777	Hickory Creek	\$0.319943	Sansom Park	\$0.718850	Little Elm ISD	\$1.493600
Hunt	\$0.467017	Highland Village	\$0.563020	Southlake	\$0.405000	Pilot Point ISD	\$1.218600
Johnson	\$0.384700	Krum	\$0.647489	Watauga	\$0.580404	Ponder ISD	\$1.464180
Kaufman	\$0.416322	Lake Dallas	\$0.642060	White Settlement	\$0.746200	Sanger ISD	\$1.197643
Parker	\$0.284667	Lewisville	\$0.443301	Decatur	\$0.600000	Slidell ISD	\$1.127500
Rockwall	\$0.313100	Little Elm	\$0.649702	SCHOOLS		Avalon ISD	\$1.027600
Somervell	\$0.499586	Providence	\$0.698579	Allen ISD	\$1.432500	Ennis ISD	\$1.469900
Tarrant	\$0.234000	Roanoke	\$0.375120	Anna ISD	\$1.474600	Ferris ISD	\$1.313800
Wise	\$0.307500	Sanger	\$0.679100	Bland ISD	\$1.152700	Frost ISD	\$1.232600
		The Colony	\$0.655000	Blue Ridge ISD	\$1.524000	Italy ISD	\$1.296500
		Trophy Club	\$0.446442	Celina ISD	\$1.483200	Maypearl ISD	\$1.174400
		Ennis	\$0.724473	Collin College (CCD)	\$0.081222	Midlothian ISD	\$1.379800
		Midlothian	\$0.675000	Community ISD	\$1.486200	Milford ISD	\$0.972400
		Red Oak	\$0.703645	Farmersville ISD	\$1.143000	Palmer ISD	\$1.330700
		Waxahachie	\$0.660000	Frisco ISD	\$1.310200	Red Oak ISD	\$1.359200
		Granbury	\$0.396117	Gunter ISD	\$1.620000	Waxahachie ISD	\$1.365400
		Commerce	\$0.820000	Leonard ISD	\$1.170000	Bluff Dale ISD	\$1.224700
		Greenville	\$0.615000	Lovejoy ISD	\$1.670000	Glen Rose ISD	\$0.975000
		Burleson	\$0.711100	McKinney ISD	\$1.590000	Granbury ISD	\$1.111400
		Cleburne	\$0.760092	Melissa ISD	\$1.463000	Lipan ISD	\$1.263000
		Joshua	\$0.761240	Plano ISD	\$1.323750	Tolar ISD	\$1.270000
		Keene	\$0.854134	Princeton ISD	\$1.469800	Boles ISD	\$1.335900
		Forney	\$0.538710	Prosper ISD	\$1.492700	Caddo Mills ISD	\$1.256600
		Kaufman	\$0.821676	Trenton ISD	\$1.420000	Campbell ISD	\$0.887800
		Terrell	\$0.764200	Van Alstyne ISD	\$1.620000	Celeste ISD	\$1.223600
		Weatherford	\$0.482900	Whitewright ISD	\$1.320000	Commerce ISD	\$1.359800
		Willow Park	\$0.536700	Wylie ISD	\$1.520500	Cumby ISD	\$1.149400
		Fate	\$0.273339	Carrollton Farmers Branch ISD	\$1.370000	Greenville ISD	\$1.168610
		Heath	\$0.376569	Cedar Hill ISD	\$1.376000	Lone Oak ISD	\$1.206800
		Rockwall	\$0.370000	Coppell ISD	\$1.310000	Quinlan ISD	\$1.240000
		Royce City	\$0.621500	Dallas College (CCD)	\$0.124000	Wolfe City ISD	\$1.143720
		Arlington	\$0.622500	Dallas ISD	\$1.412035	Alvarado ISD	\$1.466400
		Azle	\$0.657204	DeSoto ISD	\$1.529090	Cleburne ISD	\$1.630000
		Bedford	\$0.569000	Duncanville ISD	\$1.367600	Grandview ISD	\$1.266100
		Benbrook	\$0.622500	Garland ISD	\$1.346300	Joshua ISD	\$1.396000
		Colleyville	\$0.304365	Grand Prairie ISD	\$1.509700	Keene ISD	\$1.285800
		Crowley	\$0.699806	Highland Park ISD	\$1.151900	Rio Vista ISD	\$1.600000
		Eules	\$0.462500	Irving ISD	\$1.275100	Venus ISD	\$1.589500
		Everman	\$1.149676	Lancaster ISD	\$1.540000	Crandall ISD	\$1.374700
		Forest Hill	\$0.997340	Mesquite ISD	\$1.446400	Forney ISD	\$1.374700
		Fort Worth	\$0.747500	Richardson ISD	\$1.404700	Kaufman ISD	\$1.287600
		Grapevine	\$0.282601	Sunnyvale ISD	\$1.389200	Scurry-Rosser ISD	\$1.123000
		Haltom City	\$0.665760	Argyle ISD	\$1.418700	Terrell ISD	\$1.357200
		Hurst	\$0.625159	Aubrey ISD	\$1.508700	Brock ISD	\$1.443600
		Keller	\$0.395000	Denton ISD	\$1.407600	Millsap ISD	\$1.389300
		Kennedale	\$0.774085			Mineral Wells ISD	\$1.413300
		Lake Worth	\$0.469212			Peaster ISD	\$1.318900
		Mansfield	\$0.690000			Perrin Whitt ISD	\$1.176600

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 2020 Rate, Per \$100 of Taxable Valuation

City	County	School District	Other	Total
Plano	Collin	Plano ISD	CCD	\$0.081222
			SET	\$0.010000
			HD	\$0.266100
			CCD	\$0.124000
Dallas	Dallas	Dallas ISD		\$2.733585
Denton	Denton	Denton ISD		
			WD	\$0.028700
			HD	\$0.224429
Fort Worth	Tarrant	Fort Worth ISD	CCD	\$0.130170
				\$2.223039
				\$2.646799

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



Source: Current Population Survey (CPS) Outgoing Rotation Group (ORG) Earnings Files, 2019 compiled by Unionstats.com