

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	0.0100	MTA, CCD	0.0825

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, partnerships, must file franchise tax reports. This tax applies only to entities earning above a certain threshold. For example, in 2022 and 2023, entities earning up to \$1.23M 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 comptroller.texas.gov/taxes/franchise/

Texas does not collect

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

2021 Dallas-Fort Worth Property Tax Rates

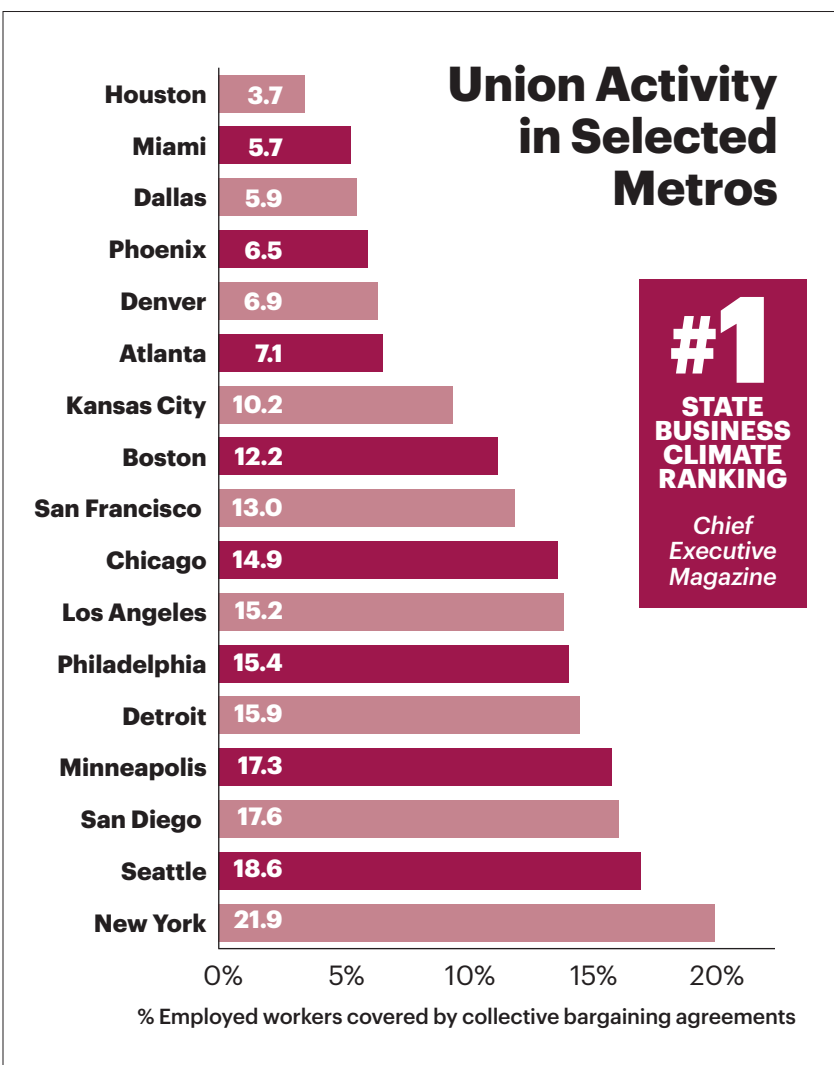
COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE
Collin	\$0.168087	Grapevine	\$0.271811	Trophy Club	\$0.445000	Era ISD	\$1.042000
Dallas	\$0.227946	Greenville	\$0.589000	University Park	\$0.264388	Everman ISD	\$1.370000
Denton	\$0.233086	Haltom City	\$0.645651	Watauga	\$0.580400	Farmersville ISD	\$1.353300
Ellis	\$0.339338	Heath	\$0.339307	Waxahachie	\$0.635000	Ferris ISD	\$1.313800
Hunt	\$0.428379	Hickory Creek	\$0.307280	Weatherford	\$0.458100	Forney ISD	\$1.372000
Johnson	\$0.420000	Highland Park	\$0.230000	White Settlement	\$0.741795	Fort Worth ISD	\$1.343200
Kaufman	\$0.461171	Highland Village	\$0.563474	Willow Park	\$0.566650	Frisco ISD	\$1.353300
Parker	\$0.329362	Hurst	\$0.625159	Wylie	\$0.643751	Frost ISD	\$1.236690
Rockwall	\$0.313100	Hutchins	\$0.682459			Garland ISD	\$1.256300
Tarrant	\$0.229000	Irving	\$0.594100			Godley ISD	\$1.492000
Wise	\$0.370125	Joshua	\$0.711493			Grand Prairie ISD	\$1.376300
		Kaufman	\$0.799976			Grandview ISD	\$1.178100
		Keene	\$0.844134			Grapevine-Colleyville ISD	\$1.275100
		Keller	\$0.395000			Greenville ISD	\$1.120481
		Kennedale	\$0.764085			Gunter ISD	\$1.468600
		Krum	\$0.621598			Highland Park ISD	\$1.084800
		Lake Dallas	\$0.614123			Hurst-Eules-Bedford ISD	\$1.160800
		Lake Worth	\$0.458548			Irving ISD	\$1.207700
		Lancaster	\$0.769287			Italy ISD	\$1.287000
		Lewisville	\$0.443301			Joshua ISD	\$1.290000
		Little Elm	\$0.643948			Kaufman ISD	\$1.287600
		Lucas	\$0.288397			Keene ISD	\$1.231270
		Mansfield	\$0.690000			Keller ISD	\$1.344000
		McKinney	\$0.497655			Kennedale ISD	\$1.299100
		Melissa	\$0.568157			Krum ISD	\$1.344930
		Mesquite	\$0.708620			Lake Dallas ISD	\$1.500300
		Midlothian	\$0.675000			Lake Worth ISD	\$1.519100
		Murphy	\$0.495000			Lancaster ISD	\$1.470400
		North Richland Hills	\$0.572184			Leonard ISD	\$0.960300
		Parker	\$0.365984			Lewisville ISD	\$1.308700
		Plano	\$0.446500			Little Elm ISD	\$1.430300
		Princeton	\$0.602549			Lone Oak ISD	\$1.222000
		Prosper	\$0.510000			Lovejoy ISD	\$1.505000
		Providence	\$0.732040			Mansfield ISD	\$1.418300
		Red Oak	\$0.703645			Collin College (CCD)	\$0.081222
		Richardson	\$0.615160			Commerce ISD	\$1.359800
		Richland Hills	\$0.558551			Community ISD	\$1.460300
		River Oaks	\$0.720874			Coppell ISD	\$1.292000
		Roanoke	\$0.375120			Crandall ISD	\$1.372000
		Rockwall	\$0.350000			Crowley ISD	\$1.484100
		Rowlett	\$0.745000			Cumby ISD	\$1.420300
		Royce City	\$0.621500			Dallas College (CCD)	\$0.123510
		Sachse	\$0.700734			Dallas ISD	\$1.248235
		Saginaw	\$0.479516			Denton ISD	\$1.362000
		Sanger	\$0.633711			DeSoto ISD	\$1.388600
		Sansom Park	\$0.670724			Duncanville ISD	\$1.315900
		Seagoville	\$0.788800			Eagle Mountain-Saginaw ISD	\$1.457500
		Southlake	\$0.390000			Ennis ISD	\$1.453700
		Sunnyvale	\$0.453000				
		Terrell	\$0.764200				
		The Colony	\$0.650000				

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

Sample Property Tax Information for DFW Communities 2021 Rate, Per \$100 of Taxable Valuation

City	County	School District	Other	Total
Plano	Collin	Plano ISD	CCD \$0.081222	\$2.016559
Dallas	Dallas	Dallas ISD	SET \$0.000000	\$2.627991
Denton	Denton	Denton ISD	HD \$0.255000	\$2.160909
Fort Worth	Tarrant	Fort Worth ISD	CCD \$0.123510	\$2.687999

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, 2021 compiled by Unionstats.com