

# 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 location, 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 compared with other regions.

## 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
<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	0.0100	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, and partnerships, must file franchise tax reports. This tax applies only to entities earning above a certain threshold. For example, in 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, 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/](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

## 2022 Dallas-Fort Worth Property Tax Rates

COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE	COUNTIES	RATE
Collin	\$0.152443	Grapevine	\$0.271775	Watauga	\$0.570200	Era ISD	\$1.024600
Dallas	\$0.217946	Greenville	\$0.569000	Waxahachie	\$0.630000	Everman ISD	\$1.327118
Denton	\$0.161838	Haltom City	\$0.608162	Weatherford	\$0.456344	Fannindel ISD	\$1.022900
Ellis	\$0.295867	Heath	\$0.291175	White Settlement	\$0.712115	Farmersville ISD	\$1.288653
Hunt	\$0.361194	Hickory Creek	\$0.270317	Willow Park	\$0.538450	Ferris ISD	\$1.238500
Johnson	\$0.415000	Highland Park	\$0.230000	Wylie	\$0.562333	Forney ISD	\$1.354600
Kaufman	\$0.416262	Highland Village	\$0.546825			Fort Worth ISD	\$1.281600
Parker	\$0.315336	Hurst	\$0.614043			Frisco ISD	\$1.212900
Rockwall	\$0.292500	Hutchins	\$0.655901			Frost ISD	\$1.186900
Tarrant	\$0.224000	Irving	\$0.589100			Garland ISD	\$1.172500
Wise	\$0.255000	Joshua	\$0.711493			Garner ISD	\$0.917252
		Kaufman	\$0.767976			Godley ISD	\$1.474600
		Keene	\$0.834134			Granbury ISD	\$0.999600
		Keller	\$0.354500			Grand Prairie ISD	\$1.307000
		Kenedale	\$0.706190			Grandview ISD	\$1.105900
		Krum	\$0.658721			Grapevine-Colleyville ISD	\$1.130800
		Lake Dallas	\$0.567252			Greenville ISD	\$1.103081
		Lake Worth	\$0.438928			Gunter ISD	\$1.442900
		Lancaster	\$0.691822			Highland Park ISD	\$1.077800
		Lewisville	\$0.443301			Hurst-Eules-Bedford ISD	\$1.109800
		Little Elm	\$0.629900			Irving ISD	\$1.147400
		Lucas	\$0.268016			Italy ISD	\$1.261429
		Mansfield	\$0.680000			Jacksboro ISD	\$1.381700
		McKinney	\$0.457485			Joshua ISD	\$1.272600
		Melissa	\$0.456168			Kaufman ISD	\$1.270200
		Mesquite	\$0.658140			Keene ISD	\$1.165470
		Midlothian	\$0.650000			Keller ISD	\$1.272900
		Murphy	\$0.465000			Kemp ISD	\$1.192573
		North Richland Hills	\$0.547972			Kenedale ISD	\$1.226400
		Parker	\$0.329289			Krum ISD	\$1.417500
		Plano	\$0.417600			Lake Dallas ISD	\$1.442900
		Princeton	\$0.534543			Lake Worth ISD	\$1.442900
		Prosper	\$0.510000			Lancaster ISD	\$1.378100
		Red Oak	\$0.697464			Leonard ISD	\$0.942900
		Richardson	\$0.560950			Lewisville ISD	\$1.236800
		Richland Hills	\$0.538885			Lipan ISD	\$1.275200
		Roanoke	\$0.339779			Little Elm ISD	\$1.412900
		Rockwall	\$0.291175			Lone Oak ISD	\$1.304600
		Rowlett	\$0.681000			Lovejoy ISD	\$1.442900
		Royce City	\$0.605000			Mabank ISD	\$1.075700
		Sachse	\$0.650416			Mansfield ISD	\$1.334600
		Saginaw	\$0.508042			Maypearl ISD	\$1.154299
		Sanger	\$0.589497			McKinney ISD	\$1.312900
		Sansom Park	\$0.677660			Melissa ISD	\$1.442900
		Seagoville	\$0.752687			Mesquite ISD	\$1.284600
		Southlake	\$0.360000			Midlothian ISD	\$1.294600
		Sunnyvale	\$0.453000			Millford ISD	\$0.940300
		Terrell	\$0.764200			Millsap ISD	\$1.257500
		The Colony	\$0.647500			Mineral Wells ISD	\$1.227700
		Trophy Club	\$0.434799				
		University Park	\$0.245975				

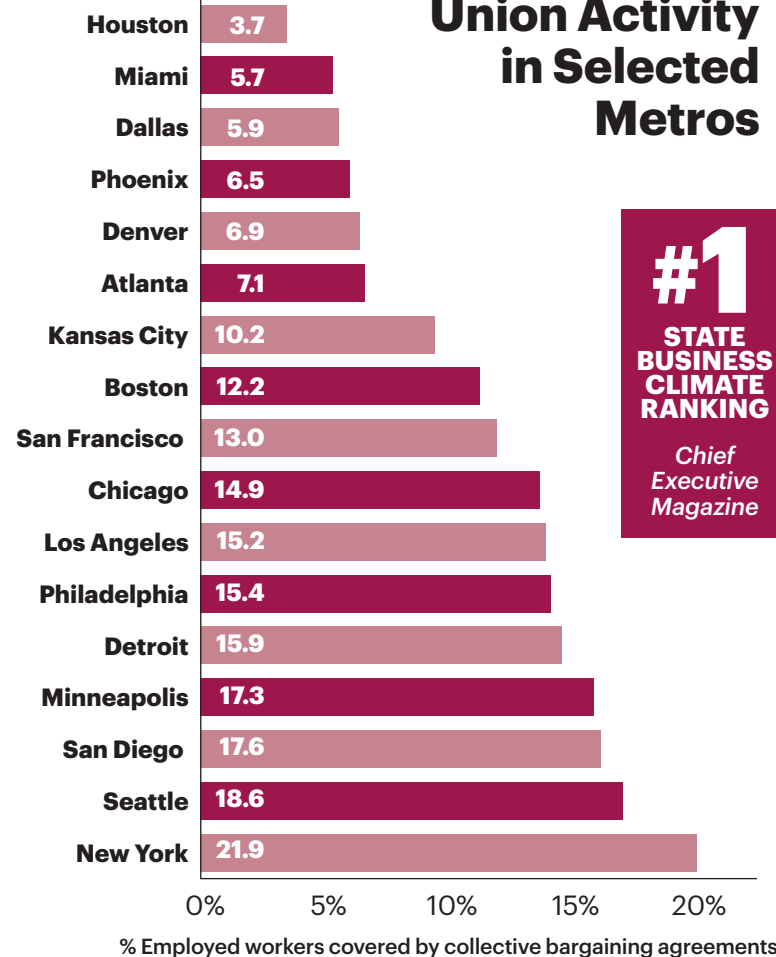
SOURCE: Texas Comptroller of Public Accounts

## Sample Property Tax Information for DFW Communities 2022 Rate, Per \$100 of Taxable Valuation

City	County	School District	Other	Total
Plano	Collin	Plano ISD	CCD	\$1.911013
Dallas	Dallas	Dallas ISD	SET	\$2.510380
Denton	Denton	Denton ISD	HD	\$2.122825
Fort Worth	Tarrant	Fort Worth ISD	WD	\$2.599599

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

## Union Activity in Selected Metros



**#1**  
STATE BUSINESS CLIMATE RANKING  
Chief Executive Magazine

Source: Current Population Survey (CPS) Outgoing Rotation Group (ORG) Earnings Files, 2021 compiled by Unionstats.com