

# Corporate Business Climate

The Dallas-Fort Worth area is home to a diverse array of corporate headquarters—and for good reason. The region possesses tremendous assets and resources.

Recovery from the pandemic-induced economic disruption was uneven throughout the U.S. However, the Dallas-Fort Worth region not only weathered the downturn better than most other metro areas, but recovered more quickly to resume growth through 2025. Site Selection Magazine recognized this fact by ranking DFW as the number one location in the U.S. for headquarter relocations.

Difficult business climates in California, Illinois, and other heavily populated states stand in stark contrast to the operating environment in Texas and throughout DFW. Texas has won Site Selection Magazine’s Governor’s Cup 13 consecutive times, while Area Development Magazine continues placing the Lone Star State among the top 10 for driving economic growth and attracting new businesses.



	Texas	California	Illinois	New York
<b>Corporate Income Tax Rate</b> <sup>5</sup>	0% <sup>1</sup>	8.84% <sup>1</sup>	7.0% <sup>1</sup>	6.5% <sup>1</sup>
<b>Personal Income Tax Rate</b> <sup>5</sup>	0%	1%-12.3% <sup>2</sup>	4.95%	4%-10.9%
<b>Franchise Tax</b> <sup>5</sup>	0.75% <sup>2</sup>	0%	0.1% <sup>2</sup>	0.1875% <sup>2</sup>
<b>Sales Tax Rate</b> <sup>5</sup>	6.25% <sup>3</sup>	7.25% <sup>3</sup>	6.25% <sup>3</sup>	4.0% <sup>3</sup>
<b>Right to Work State</b> <sup>6</sup>	Yes	No	No	No
<b>State Labor Force</b> <sup>7</sup>	15,591,398	19,323,963	6,514,061	9,563,906
<b>Cost of Doing Business</b> <sup>8</sup>	92.22	115.70	100.49	94.29
<b>CNBC State Business Rank</b> <sup>9</sup>	#3	#23	#15	#22
<b>CEO Magazine Business Climate Rank</b> <sup>10</sup>	#1	#50	#48	#49
<b>Cost of Living Index</b> <sup>11</sup>	101.7 (Dallas) / 96.0 (Fort Worth)	149.3 (Los Angeles) / 166.7 (San Francisco)	115.1 (Chicago)	230.6 (NY Manhattan)
<b>Housing Cost Index</b> <sup>11</sup>	95.1 (Dallas) / 85.8 (Fort Worth)	232.5 (Los Angeles) / 263.3 (San Francisco)	140.1 (Chicago)	500.6 (NY Manhattan)
<b>Average Price/SqFt for CBD Office</b> <sup>12</sup>	\$30.77 (Dallas) / \$30.60 (Fort Worth)	\$37.98 (Los Angeles) / \$50.56 (SF Financial Dist.)	\$37.23 (Chicago Central Loop)	\$54.57 (NY Financial Dist.)
<b>Average Price/SqFt for Total Office</b> <sup>12</sup>	\$32.15 (Dallas/Fort Worth)	\$42.04 (Los Angeles) / \$50.88 (San Francisco)	\$29.25 (Chicago)	\$59.23 (New York City)
<b>Average Price/SqFt for Industrial</b> <sup>12</sup>	\$9.80 (Dallas/Fort Worth)	\$17.94 (Los Angeles) / \$28.10 (San Francisco)	\$9.70 (Chicago)	\$19.64 (New York City)

**Texas**  
 1 Taxable entities are subject to a franchise tax on taxable margin.  
 2 0.375% is the rate for taxable entities primarily engaged in retail or wholesale trade; taxable entities with revenues of \$2,470,000 or less owe no tax; taxable entities with tax due of less than \$1,000 owe no tax.  
 3 The State of Texas sales tax rate is 6.25% + local rate of up to 2.0%.

**California**  
 1 Special rates for S corporations and financial institutions.  
 2 Income brackets are adjusted annually for inflation. Plus millionaire tax (i.e., 1% surcharge on taxable income exceeding \$1 million).  
 3 The State of California sales tax rate is 6% with an added mandatory local rate of 1.25% + local optional rate of up to 4.75%.

**Illinois**  
 1 Additional 2.5% personal property replacement tax; 1.5% for S corporations, partnerships, and trusts.  
 2 0.1% allocated paid-in capital (0.15%, 1st time or added paid-in capital). Min. \$25; max. \$2 million plus 0.10% 1st capital. The first \$5,000 in liability is exempt.  
 3 The State of Illinois sales tax rate is 6.25% + local rate of up to 4.75%.

**New York**  
 1 For taxpayers with an income base of over \$5 million, the tax rate is 7.25% (through 2026). Taxpayers pay the highest tax computed on three alternate bases. The tax rate on business income base for qualified New York manufacturers is 0%.  
 2 0.1875% for each dollar of the taxpayer’s total business and investment capital allocated to New York. Fixed dollar minimum tax.  
 3 The State of New York sales tax rate is 4.0% + up to 4.875% local tax.

**All States**  
 5 Source: Thomson Reuters  
 6 Source: National Conference of State Legislatures  
 7 Source: LAUS, BLS, Dec 2024 (preliminary, seasonally adjusted)  
 8 2025 Moody’s North American Business Cost Review, thru Dec. 2022 (U.S. average = 100)  
 9 Source: CNBC America’s Top States for Doing Business in 2024

10 Source: CEO Magazine’s 2024 Best and Worst States for Doing Business  
 11 Source: ACCRA Cost of Living Index, 2024 Annual Average Data (U.S. average = 100). Note: Results are for the MSA primary city  
 12 Source: CoStar, 2025 Office (overall rent) and Industrial Market Reports by market