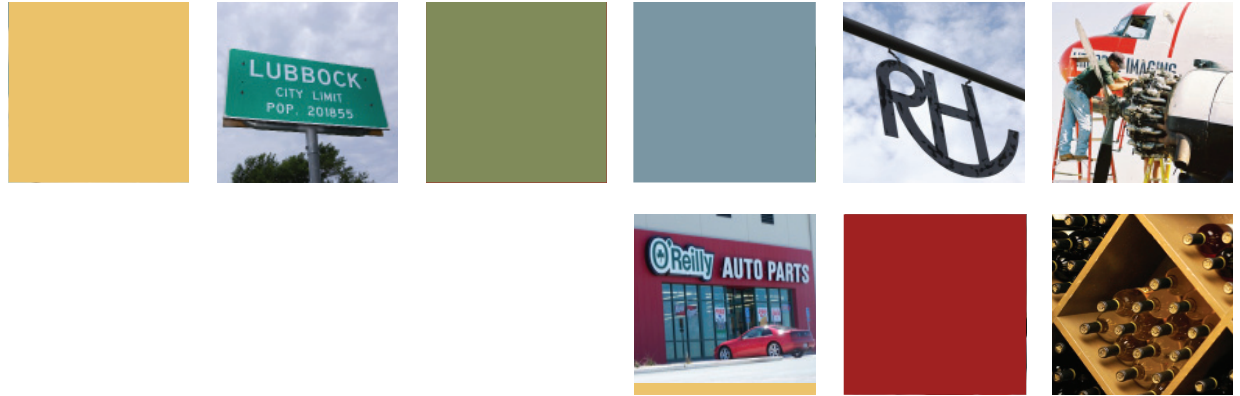




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# Business Costs

## Tax Issues & Workers' Compensation

<i>Tax/Fee</i>	<i>Description</i>
Corporate State Income Tax	Texas imposes a franchise tax on corporations. Franchise tax rates are: 1 percent (.01) for most entities; 0.5 percent (.005) for qualifying wholesalers or retailers; .575 percent for those entities with \$10 million or less in total revenue (annualized per 12-month period on which the report was based) electing the E-Z computation.
Property Tax (State and Local)	Texas has no state property tax. The local property tax rate is 2.15 percent or .0215 (2010).
Public Utility Gross Receipts Assessment	A fee is imposed on each public utility within the jurisdiction of the Public Utility Commission. 1/6 of 1 percent (.001667) of gross receipts from rates charged to the ultimate customers in Texas.
Sales and Use Tax	Texas cities, counties, transit authorities and special purpose districts have the option of imposing an additional local sales tax for a combined total of state and local taxes of 8 1/4 percent. (.0825).