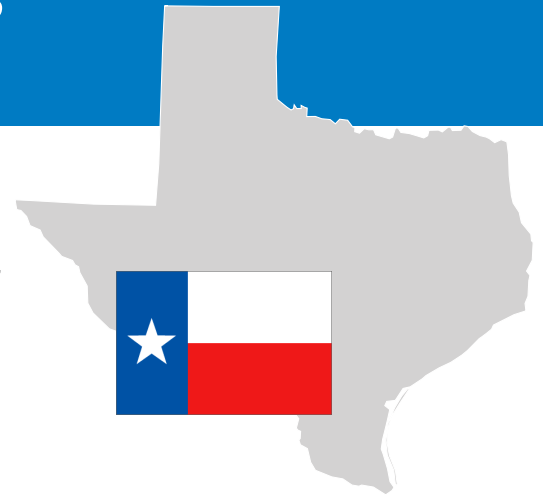


# Tax Facts & Comparisons Texas

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Texas is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Texas scores.



## Tax Foundation Rankings of Texas

### State Business Tax Climate Index

**10<sup>th</sup>**  
best

Texas ranks 10th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Texas ranked 11th.

Texas's individual income tax ranks 6th best, its corporate income tax ranks 39th best, its sales tax ranks 36th best, its property tax ranks 36th best, and its unemployment insurance tax ranks 15th best.

Neighboring states' ranks: New Mexico (38th), Oklahoma (32nd), Arkansas (39th), Louisiana (35th)

### State-Local Tax Burdens Rank

**47<sup>th</sup>**  
highest

Estimated at 7.5% of income, Texas's 2011 state-local tax burden ranks 47th highest nationally, below the national average of 9.8%. Texas taxpayers pay \$3,088 per capita in state and local taxes.

Neighboring states' ranks: New Mexico (37th), Oklahoma (39th), Arkansas (12th), Louisiana (46th)

### Tax Freedom Day<sup>®</sup>

**2015**  
**April**  
**17**

In 2014, Texas taxpayers worked 107 days into the year until April 17 to pay their total tax bill, ranking 22nd highest nationally.

That's 7 days before national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Texas Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Texas structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

## General Info

		Rank	Nat. Avg.
Income per capita	\$41,269	23rd	\$43,735
Federal aid as % of gen. revenue	33%	24th	32.8%
State debt per capita	\$10,473	11th	\$3,678

## Individual Income Tax

Number of brackets	0
Bottom income bracket rate	0.00%
Bottom bracket kick in	N/A
Top income tax rate	0.00%
Top bracket kick in	N/A
Collections per capita (2012)	\$0
Collections rank (2012)	N/A

## Property Tax

Collections per capita (2012)	\$1,559
Collections rank (2012)	14th
Property taxes paid as share of owner-occupied housing value (2013)	1.90%
Property taxes paid percent rank (2013)	6th

## Sources of State & Local Tax Collections

	Texas	All States.
Property Tax	41%	32%
Sales Tax	31%	23%
Corporate Income Tax	0%	4%
Individual Income Tax	0%	22%
Other	28%	20%

## Corporate Income Tax

Number of brackets	0
Top corporate tax rate	GRT
Collections per capita (2012)	\$0
Collections rank (2012)	47th

## Sales Tax

State rate	6.25%
State + average local rate	8.05%
State + average local rank	12th
Collections per capita (2011)	\$1,182
Collections rank (2011)	14th

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	20.0¢ per gallon	42nd
Cigarette taxes	\$1.41 per pack	24th
Spirits taxes	\$2.40 per gallon	45th
Beer taxes	\$0.20 per gallon	28th
Cell phone taxes	11.73%	16th

## Other Taxes

	Rate	Exemption
Gross receipts tax	0.475% - 0.95%	N/A
Capital stock tax	None	N/A
Inheritance tax	None	N/A
Estate tax	None	N/A

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

More at [taxfoundation.org](http://taxfoundation.org)