

TABLE 15

TAXATION

Corporate Income Tax/Franchise Tax		State	Local				
Rate (range)	The franchise tax rates are: • 1.0% (.01) for most entities • 0.5% (.005) for qualifying wholesalers and retailers* • 0.575% for those entities with \$10 million or less in Total Revenue (annualized per 12 month period on which the report is based) electing the E-Z Computation Taxable entities with total revenue (annualized per 12-month period on which the report is based) of \$300,000 or less will owe no tax. Taxable entities with tax due of less than \$1,000 will owe no tax. Exception: If the entity is a tiered partnership, the calculated amount of tax is due, even if it is less than \$1,000.						
Formula (e.g. Sales, Property & Payroll)	-	-					
Federal Taxes Deductible	-	-					
Accelerated Depreciation Permitted (Yes or No)	-	-					
Personal Income Tax		State	Local				
Rate (Range)	n/a	n/a					
Earned Income	n/a	n/a					
Unearned Income (e.g. Dividend)	n/a	n/a					
Local Occupation Tax (Paid by Employee)		Rate	Basis				
City Residents	n/a	n/a					
Non-City Residents	n/a	n/a					
Local Wage Tax (Paid by Employer)		Rate	Basis				
City Residents	n/a	n/a					
Non-City Residents	n/a	n/a					
Gross Receipts Tax Rate by Type of Business							
A gross receipts tax does not apply to manufacturing companies. A gross receipts tax applies to utility and mixed beverages.							
Sales/Use Tax Rate							
State	6.25%						
Denton County Transportation Authority (DCTA)	0.50%						
City	1.50%						
Total	8.25%						
Sales Tax Rate by Utility:		Residential	Commercial				
Electric Power	1.5%	8.25%					
Natural Gas	1.5%	8.25%					
Fuel Oil							
Water	0.0%	0%					
Sewer (Solid Waste)	8.25%	8.25%					
Hazardous Waste Disposal	0.0%	0%					
Telephone							
City Sales	Please refer to the TX Department of Revenue website which contains the most accurate and up-to-date information: http://www.window.statetx.us/taxinfo/local/						
State Tax	In addition to various other taxes, there is also a 0.03 Federal Excise Tax that applies to certain telecommunication services						
Federal							
Machinery & Equipment Subject to Sales/Use Tax							
Production	N						
Non-Production	Y						
Pollution Control	Y						
Office Furniture/Fixtures/Equipment	Y						
Sales/Use Tax (Yes or No) on							
Office Building Construction Materials	Y						
Industrial Building Construction Materials	Y						
Manufacturers' Raw Materials	N						
Standard Software	Y						
Custom Software	Y						
Intangible Property							
Describe What is Subject to Tax Rate (e.g. Accounts Receivable, Capital Stock)							
Basis & Rate							
Stock Bond Transaction Fee (Yes or No & its Yes Rate)							
Real Property Tax Rates for Jurisdictions Featuring	A	B	C	D	E	F	G
Major Employment Centers							
City Millage	\$0.66652						

County Millage	\$0.24980						
School Millage	\$1.49000						
Special District Millage	-						
Assessment Ratio (%)	-						
Effective Rate per \$100	\$2.40632						
Personal Property Tax Rates per \$100	A	B	C	D	E	F	G
City Millage	\$0.66652						
County Millage	\$0.24980						
School Millage	\$1.49000						
Special District Millage	-						
Assessment Ratio (%)	-						
Effective Rate per \$100	\$2.40632						
State Property Tax Effective Rate per \$100							
Real Property	No						
Personal Property (machinery/equipment)	No						
Property Tax After Core Income Tax							
Rate	-						
Basis & Rate	-						
Property Tax After Core Income Tax & State Excise Tax							
Taxable Items	-						
Rate for Each Item	-						
Subject to Personal Property Tax							
Production Machinery & Equipment	Yes						
Non Production Machinery & Equipment	Yes						
Pollution Control	Yes						
Inventory	Yes						
Raw Materials	Yes						
Work in Progress	Yes						
Finished Goods	Yes						
Freeport Legislation	Yes						
Applicable to Warehousing	Yes						
Applicable to Manufacturing	Yes						
Goods Stored in a Public Warehouse	Yes						
Office Furniture-Fixtures	Yes						
Computer Equipment	Yes						
Workstations	Yes						
Telephones	Yes						
Furniture	Yes						
Company Vehicles	Yes						
Standard Software	No						
Custom Software	No						

Source: Denton County Tax Office; Texas Comptroller Office