

Taxation in Texas, Including San Antonio MSA

TAXATION: STATE AND LOCAL SUMMARIES

Texas ranks 43rd in the nation for overall State & Local Tax Burden

Franchise Tax			
	State	Local	
Rate (range)	1% for most entities		
Unless a taxable entity qualifies and elects to file using the E-Z Computation, the revised tax base is the taxable entity's margin. Margin equals the lowest of three calculations: 1) total revenue minus cost of goods sold; 2) total revenue minus compensation; or 3) total revenue times 70%	.5% for qualifying wholesalers & retailers; .575% for those entities with \$10 million or less in Total Revenue; Taxable entities with total revenue of \$300,000 or less will owe no tax		
Federal Taxes Deductible	No		
Accelerated Depreciation Permitted	Yes		
Personal Income Tax			
	State	Local	
Rate (Range)	NONE	NONE	
Earned Income	NONE	NONE	
Unearned Income (e.g. Dividend)	NONE	NONE	
Employment Taxes			
FICA			
Unemployment	is calculated by taking the greater of the average rate for all employers in the NAICS code to which they belong or 2.7%. The taxable wage limit is currently \$9,000 per calendar year, per employee.		
Worker's Compensation (as a percent of covered wages)	0.44	NONE	
Sales/Use Tax Rate			
State	6.25%	Sales Tax Rate by Utility:	
Local	2.00%	Electric Power	8.25%
Total	8.25%	Electric Franchise Fee	3.00%
Natural Gas	8.25%		
Fuel Oil	N/A		
Water	NONE		
Sewer	NONE		
Garbage	8.25%		
Telephone			
Local	8.25%		
Long Distance In State	8.25%		
Long Distance Out of State	8.25%		
Machinery & Equipment Subject to Sales/Use Tax			
Production	0.00%		

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Non-Production	8.25%		
Pollution Control	0.00%		
Office Furniture/Fixtures/Equipment	8.25%		
Sales/Use Tax (Yes or No) on			
Office Building Construction Materials	yes		
Industrial Building Construction Materials	yes		
Manufacturers' Raw Materials	yes		
Standard Software	yes		
Custom Software	yes		
Property Tax per \$100 of assessed value-Guadalupe County	\$2.2437 per \$100 or \$22,437 for every \$1 million of assessed value		
Property Tax per \$100 of assessed value-Comal County	\$2.057155 per \$100 or \$20,572 for every \$1 million of assessed value		
Property Tax per \$100 of assessed value-Bexar County	\$2.599107 per \$100 or \$25,991 for every \$1 million of assessed value		
Detailed Real & Personal Property Tax Rates for Jurisdictions	Commercial	Agriculture	Resident
City	\$0.434	\$0.434	\$0.434
Comal County	\$0.313	\$0.313	\$0.313
Bexar County	\$0.745	\$0.745	\$0.745
Guadalupe County	\$0.390	\$0.390	\$0.390
School (Schertz ISD for Guadalupe & parts of Bexar County)	\$1.42	\$1.42	\$1.42
School (Comal ISD for Comal County only)	\$1.31	\$1.31	\$1.31
Assessment Ratio (%)	100.00%	0.50%	100.00%
Effective Rate per \$100	\$2.057155-2.599107	\$2.057155-2.599108	\$2.057155-2.599109
Subject to Personal Property Tax			
Production Machinery & Equipment	Freeport Goods exempt; otherwise yes	Computer Equipment	yes
Non Production Machinery & Equipment	Freeport Goods exempt; otherwise yes	Workstations	yes
Pollution Control	Freeport Goods exempt; otherwise yes	Telephones	yes
Inventory	Freeport Goods exempt; otherwise yes	Furniture	yes
Raw Materials	Freeport Goods exempt; otherwise yes	Company Vehicles	yes
Work in Progress	Freeport Goods exempt; otherwise yes	Standard Software	yes
Finished Goods	yes	Custom Software	yes
Freeport Legislation	Visit for more information about what qualifies for property tax exemptions	Goods Stored in a Public Warehouse	yes
Applicable to Warehousing	yes	Office Furniture-Fixtures	yes
Applicable to Manufacturing	yes		
For county specific tax information visit the appraisal districts for each of the following counties:			
Guadalupe	Guadalupe County Tax Office		
Comal	Comal County Tax Office		
Bexar	Bexar County Tax Office		