

Notice

Local Sales Tax Options

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Texas Comptroller of Public Accounts

A city, county or special purpose district cannot adopt a sales tax if the combined rate of all local sales taxes would exceed 2 percent at any location within its territorial limits. All local sales taxes require voter approval.

Sales Tax Options for Cities

Regular Sales Tax (1 percent only) – Most cities in Texas have this form of sales tax. It may be imposed by any incorporated city. Revenues are deposited into the city's general revenue fund and may be used for any lawful purpose. (Chapter 321, Tax Code)

Sales Tax for Economic Development (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – Two options are available for a city to adopt this tax:

Option #1 – Type A – This form of tax may be imposed by most incorporated cities. (There are exceptions in certain counties with mass transit systems). Revenues must be turned over to a development corporation formed to act on behalf of the city to carry out programs related to industrial development, business infrastructure and the promotion of new and expanded business enterprises that create or retain primary jobs.

Option #2 – Type B – This form of tax may be imposed by any incorporated city. Revenues must be turned over to a development corporation formed to act on behalf of the city to carry out programs related to a wide variety of projects including public parks and business development.

(Chapters 501-505, Local Government Code)

Street Maintenance Sales Tax (one-eighth or one-fourth of 1 percent) – All cities are authorized to hold an election to adopt a sales tax to repair and maintain existing city streets. The tax expires after four years unless a new election is held to reauthorize the tax. The revenue from this tax may be used only to maintain and repair existing city streets. (Chapter 327, Tax Code)

Municipal Development Corporation (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – A city may create a municipal development corporation to undertake projects to provide job training, early childhood education, after-school programs, scholarships, literacy promotion and

other projects. Voters in the city may authorize adoption of a sales tax to fund activities of the corporation. (Chapter 379A, Local Government Code – the "Better Jobs Act")

Municipal Development Districts** (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – Cities may hold an election in all or part of a city, including the extra territorial jurisdiction, to create a municipal development district and adopt a sales tax to fund the district. The district may undertake a variety of projects including a convention center, civic center, auditorium and other projects eligible for Type B Corporations under Chapter 505 of the Local Government Code. (Chapter 377, Local Government Code)

Fire Control, Prevention, and Emergency Medical Services (EMS) Districts** (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – Cities with a population between 25,000 and 550,000 or more than 1.9 million may create an EMS district. The district may include all or any part of a city. The district may finance the operation of a fire control, prevention and EMS program. (Chapter 344, Local Government Code and Section 321.106, Tax Code)

Sales Tax Options for Cities & Counties

Sales Tax for Property Tax Relief (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – This "additional sales tax" may be imposed by most incorporated cities (there are exceptions in certain counties with rapid transit systems), and revenues are deposited into a city's general revenue fund. Cities adopting this form of local sales tax must reduce the effective and rollback property tax rates within the city. (Chapter 321, Tax Code)

Counties and hospital districts that impose an ad valorem tax may also levy this form of sales tax, but at different rates.

Crime Control and Prevention District Tax** (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – This sales tax may be imposed by a city located in a county with a population of more than 5,000 or by a county with a population of more than 130,000. The governing body in a municipality or commissioners court may specify the number of years (5, 10, 15 or 20) the district would be continued. Revenues from the sales tax may be used to finance a wide variety of crime control and prevention programs. (Chapter 363, Local Government Code and Sec. 323.105, Tax Code)

Venue Tax “Stadium Bill” (one-eighth, one-fourth, three-eighths or one-half of 1 percent) – This sales tax is one of several revenue options available to a city or county to fund sports and community “venue” projects. Multiple cities and counties in any combination may join to form a venue district under Chapter 335, Local Government Code, as well. Some examples of a “venue” are a stadium, convention center, park or economic development-type facility. (Chapters 334 and 335, Local Government Code)

Metropolitan and Rapid Transit Authorities/Municipal Transit Departments** (one-quarter, one-half or three-fourths of 1 percent; or 1 percent) – In certain instances, authorities may be created to levy a sales tax to provide transportation services in participating cities. These are not offered statewide to all cities and are generally found in metropolitan areas. Cities may opt to join and, in some cases, withdraw from an authority with voter approval. The tax rate is generally authorized to be implemented in increments of one-quarter of one percent under section 453.401, Transportation Code. (Chapters 451, 452, and 453, Transportation Code and Chapter 322, Tax Code)

Sales Tax Options for Counties

County Assistance District (increments of one-eighth of 1 percent, to a maximum of 2 percent) – Counties may hold an election in all or part of the county, to create one or more county assistance districts and adopt a sales tax to fund the districts. A district may undertake a variety of projects including roads or highways; provision of law enforcement and detention services; the maintenance or improvement of libraries, museums, parks or other recreational facilities; or other services that benefit the public welfare. (Chapter 387, Local Government Code)

Emergency Services District (ESD)** (increments of one-eighth of 1 percent, to a maximum of 2 percent) – Counties may hold an election in all or part of the county, to create one or more emergency services districts and adopt a sales tax to fund the districts. Funds may be used to hire emergency personnel, contract with other entities to provide emergency services, and/or purchase equipment and facilities. (Chapters 775 and 776, Health and Safety Code)

** This tax is actually imposed by a board, district or authority; created by and for the benefit of a city or county.

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911 Emergency Service/Equalization Surcharge
Automotive Oil Fee
Battery Fee
Boat and Boat Motor Sales Tax
Customs Broker
Fireworks Tax
Mixed Beverage Tax
Off-Road, Heavy-Duty Diesel Equipment Surcharge
Oyster Fee
Sales and Use Taxes
Telecommunications Infrastructure Fund

1-800-531-5441

Cement Tax
Inheritance Tax
Local Revenue
Miscellaneous Gross Receipts Taxes
Oil Well Servicing Tax
Sulphur Tax

1-800-531-5441, ext. 3-3630

WebFile Help

1-800-252-1381

Bank Franchise
Franchise Tax

1-800-252-7875

Spanish

1-800-531-1441

Fax on Demand (Most frequently requested Sales and Franchise tax forms)

1-800-252-1382

Clean Vehicle Incentive Program
Manufactured Housing Tax
Motor Vehicle Sales Surcharge, Rental and Seller Financed Sales Tax
Motor Vehicle Registration Surcharge

1-800-252-1383

Fuels Tax
IFTA
LG Decals
Petroleum Products Delivery Fee
School Fund Benefit Fee

1-800-252-1384

Coastal Protection
Crude Oil Production Tax
Natural Gas Production Tax

1-800-252-1387

Insurance Tax

1-800-252-1385

Coin Operated Machine Tax
Hotel Occupancy Tax

1-800-252-1386

Certificates of Account Status/Good Standing
Officer and Director Information

1-800-862-2260

Cigarette and Tobacco

1-888-4-FILING (1-888-434-5464)

TELEFILE: To File by Phone

1-800-252-1389

GETPUB: To Order Forms and Publications

1-800-654-FIND (1-800-654-3463)

Treasury Find

1-800-321-2274

Unclaimed Property Claimants
Unclaimed Property Holders
Unclaimed Property Name Searches
512-463-3120 in Austin

1-877-44RATE4 (1-877-447-2834)

Interest Rate

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