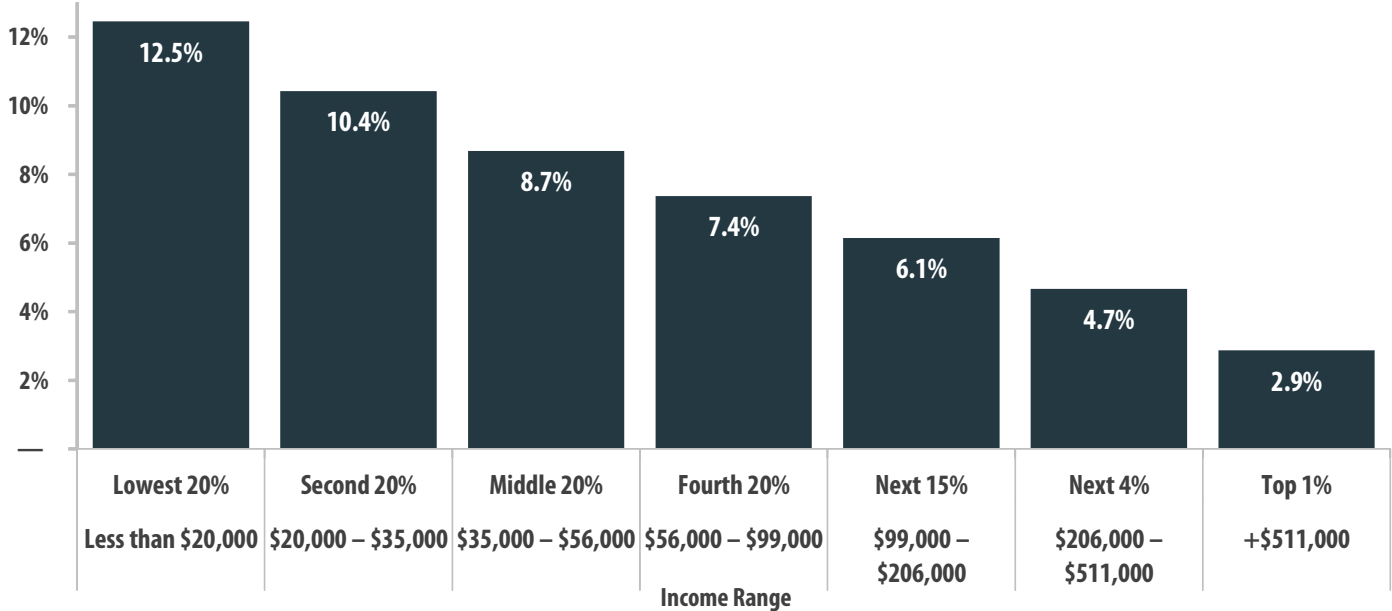


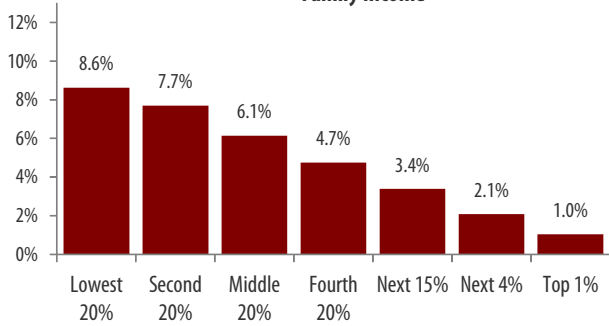
Texas State & Local Taxes in 2015

#3 of the Terrible 10

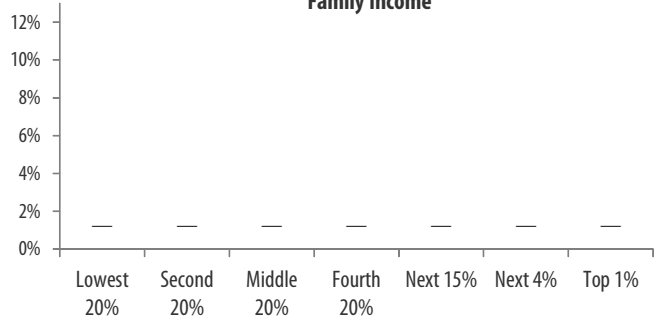
Shares of family income for non-elderly taxpayers



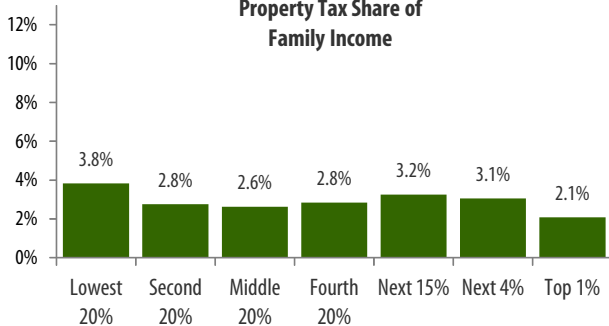
Sales & Excise Tax Share of Family Income



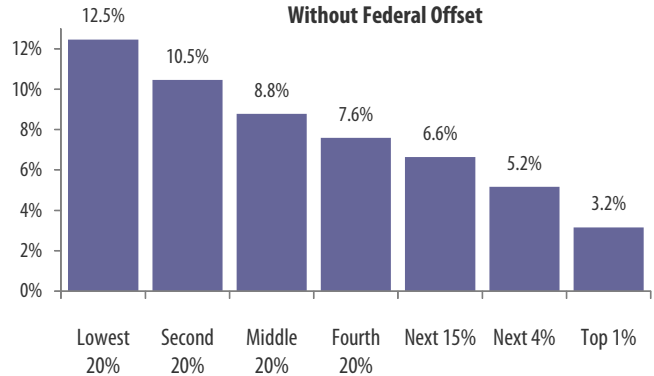
Personal Income Tax Share of Family Income



Property Tax Share of Family Income



All Taxes Share of Family Income Without Federal Offset



Note: Figures show permanent law in Texas enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post- federal offset.

Texas State & Local Taxes in 2015

#3 of the Terrible 10

Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$20,000	\$20,000 – \$35,000	\$35,000 – \$56,000	\$56,000 – \$99,000	\$99,000 – \$206,000	\$206,000 – \$511,000	\$511,000 or more
Average Income in Group	\$12,500	\$27,600	\$44,900	\$74,500	\$135,200	\$305,900	\$1,826,300
Sales & Excise Taxes	8.6%	7.7%	6.1%	4.7%	3.4%	2.1%	1.0%
General Sales—Individuals	3.6%	3.4%	2.8%	2.3%	1.7%	1.1%	0.6%
Other Sales & Excise—Ind.	2.0%	1.6%	1.2%	0.9%	0.6%	0.3%	0.1%
Sales & Excise on Business	3.0%	2.7%	2.1%	1.6%	1.1%	0.6%	0.3%
Property Taxes	3.8%	2.8%	2.6%	2.8%	3.2%	3.1%	2.1%
Property Taxes on Families	3.7%	2.6%	2.4%	2.6%	2.9%	2.3%	0.7%
Other Property Taxes	0.1%	0.2%	0.2%	0.3%	0.3%	0.7%	1.3%
Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personal Income Tax	—	—	—	—	—	—	—
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Taxes	12.5%	10.5%	8.8%	7.6%	6.6%	5.2%	3.2%
Federal Deduction Offset	-0.0%	-0.0%	-0.1%	-0.2%	-0.5%	-0.5%	-0.3%
OVERALL TOTAL	12.5%	10.4%	8.7%	7.4%	6.1%	4.7%	2.9%

Note: Table shows detailed breakout of data on previous page.

Texas Tax Code Features

Progressive Features

- Sales tax base excludes groceries
- Requires the combined reporting for the corporate income tax

Regressive Features

- No personal income tax
- Imposes a gross receipts tax in lieu of a corporate profits tax
- Fails to provide tax credits to low-income taxpayers to offset sales, excise, and property taxes

Tax Changes Enacted in 2013 & 2014

- Increased various credits and sales tax exemptions for businesses

ITEP Tax Inequality Index

According to ITEP's Tax Inequality Index, Texas has the **3rd** most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).