

TAX RATES

THE WOODLANDS AREA



◆ **INCOME TAX**

Texas has no personal or corporate income tax.

◆ **FRANCHISE TAX**

The franchise tax rates are 1.0% (0.01) for most entities, 0.5% (0.005) for qualifying wholesalers and retailers and 0.575% (0.00575) for those entities with \$10 million or less in annualized total revenue using the EZ computation:

- the entity is primarily engaged in retail or wholesale trade under division F or G of the 1987 Standard Industrial Classification Manual.
- the total revenue from its activities in retail and wholesale trade is greater than the total revenue from its activities in trades other than the retail and wholesale trade;
- less than 50% of the total revenue from activities in retail or wholesale trade comes from the sale of products it produces or products produced by an entity that is part of an affiliated group to which the taxable entity also belongs, except for those businesses under Major Group 58 (eating and drinking establishments); and
- the taxable entity does not provide retail or wholesale utilities, including telecommunications services, electricity or gas.

Some entities may be exempt from the franchise tax. The exemptions vary depending upon the type of organization. Exemptions are not automatically granted to an entity. For more information on franchise tax exemptions, go to www.window.state.tx.us/taxinfo/taxpubs/tx96_1045.html.

Additional information about Texas franchise tax can be found online at www.franchisetax.tx.gov.

◆ **SALES TAX**

The State sales tax rate is 6.25%. Certain local taxing entities may levy up to 2.00% sales tax in addition to the State sales tax. The local sales taxes in South Montgomery County are:

The Woodlands Township	2.00%
City of Shenandoah	2.00%
City of Oak Ridge North	2.00%

◆ **PROPERTY TAX**

The first four taxing entities listed below apply to all property located in South Montgomery County. Other taxing entities may apply depending upon the location of the property. Tax rates listed below are per \$100 of assessed value.

Montgomery County	0.4667
Conroe ISD	1.2800
Lone Star College System	00.1078
Hospital District	00.0664
City of Shenandoah	0.2099
City of Oak Ridge North	0.4470
The Woodlands Township	0.2300
The Woodlands Road Utility District	0.2150