



Property Tax

Montgomery County has a total of five taxing entities. Dependent upon the firm’s location, city taxes may not be imposed. Following are the 2016 tax rates per \$100 of assessed value.

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|--------------------------------|----------------------------|
| City of Conroe (CCO) | 0.4175 |
| Conroe ISD (SCO) | 1.2800 |
| Montgomery County (GMO) | 0.4667 |
| Lone Star College System (JNH) | 0.1078 |
| M.C. Hospital District (HMI) | <u>0.0665</u> |
| Total Effective Tax Rate: | 2.3385 per \$100 valuation |

Income Tax (Personal and Corporate)

Texas has no personal or corporate income tax.

Franchise Tax

The Texas “Margins Tax” or Franchise tax applies to Corporations, LLC’s and business trusts and professional associations doing business in Texas. The tax is based on gross marginal income. The first \$1,000,000 of gross income is exempt. A tax rate of .475% (wholesalers and retailers) or .95% for all others is applied. As with any state or federal tax there are a number of exemptions that can be applied against the Margins tax. Information can be obtained through the Office of the State Comptroller at <http://www.window.state.tx.us/taxinfo/franchise/margin.html>.

Sales & Use Tax

There are two sales & use tax rates. A location outside of the city exempts the firm from the city rate. Current rates:

| | |
|-----------------------|--------------|
| City of Conroe | 2.00% |
| State | <u>6.25%</u> |
| Total | 8.25% |