

**To the Mayor and Members of the City Council**

August 12, 2022

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**SUBJECT: PEER TAX RATE COMPARISON**

This budget response provides a comparison of the proposed tax rates and exemptions between Fort Worth and its peer cities, as compared to the prior year. The following two tables compare Fort Worth to the top ten DFW Metroplex cities by population and the top ten Texas cities by population, including the current exemption amounts. The rates presented below are categorized by the tax year, not the fiscal year. The 2021 rates reported below are the entity's adopted rates; the 2022 rates reported are the entity's current proposed rates for FY2023.

Top 10 DFW Metroplex Cities by Population								
City	Population	Sales Tax	Property Tax Rates			Current Exemptions		
			2021 Rate	2022 Rate	Change	Homestead	Over Age 65	Disabled Person
Dallas	1,288,457	1.00%	0.7733	0.7458	(0.0275)	20%	115,000	115,000
<b>Fort Worth</b>	<b>935,508</b>	<b>1.00%</b>	<b>0.7325</b>	<b>0.7125</b>	<b>(0.0200)</b>	<b>20%</b>	<b>40,000</b>	<b>40,000</b>
Arlington	392,786	2.00%	0.6198	0.5998	(0.0200)	20%	60,000	60,000
Plano	288,253	1.00%	0.4465	0.4265	(0.0200)	20%	40,000	40,000
Irving	254,198	1.00%	0.5941	0.5891	(0.0050)	20%	50,000	50,000
Garland	242,035	1.00%	0.7570	0.7167	(0.0403)	10%	56,000	56,000
Frisco	210,719	2.00%	0.4466	0.4466	0.0000	12.5%	80,000	80,000
McKinney	202,690	2.00%	0.4977	0.4595	(0.0381)	0%	80,000	50,000
Grand Prairie	197,347	1.75%	0.6650	0.6146	(0.0504)	12.5%	45,000	30,000
Denton	148,146	1.50%	0.5658	0.5557	(0.0101)	5,000	50,000	50,000

Sources:

<https://comptroller.texas.gov/taxes/sales/city.php>

<https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-cities-and-towns.html>

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Top 10 Texas Cities by Population								
City	Population	Sales Tax	Property Tax Rates			Current Exemptions		
			2021 Rate	2022 Rate	Change	Homestead	Over Age 65	Disabled Person
Houston*	2,288,250	1.00%	0.5508	0.5508	0.0000	20%	260,000	260,000
San Antonio**	1,451,853	1.25%	0.5583	0.5416	(0.0167)	10%	85,000	85,000
Dallas***	1,288,457	1.00%	0.7733	0.7458	(0.0275)	20%	115,000	115,000
Austin	964,177	1.00%	0.5410	0.4627	(0.0783)	20%	113,000	113,000
<b>Fort Worth</b>	<b>935,508</b>	<b>1.00%</b>	<b>0.7325</b>	<b>0.7125</b>	<b>(0.0200)</b>	<b>20%</b>	<b>40,000</b>	<b>40,000</b>
El Paso****	678,415	1.00%	0.9073	0.8624	(0.0449)	5,000	42,500	42,500
Arlington	392,786	2.00%	0.6198	0.5998	(0.0200)	20%	60,000	60,000
Corpus Christi	317,773	1.38%	0.6463	0.6463	0.0000	10%	50,000	50,000
Lubbock	260,993	1.50%	0.5232	0.4832	(0.0400)	5,000	16,700	10,000
Plano	197,347	1.75%	0.4465	0.4265	(0.0200)	20%	40,000	40,000

**Sources:**

<https://comptroller.texas.gov/taxes/sales/city.php>

<https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-cities-and-towns.html>

**Notes:**

\*The 2022 Proposed Tax Rate for Houston will be available at the end of August, 2022.

\*Houston increased its Over 65 and Disabled Person Exemptions from \$160,000 to \$260,000 for the 2022 Tax Year as of June 8, 2022.

\*\*San Antonio increased its Homestead Exemption from .01% to 10%, its Over 65 and Disabled Person Exemptions from \$65,000 to \$85,000, and its Disabled Person Exemptions from \$12,500 to \$72,500 for the 2022 Tax Year.

\*\*\*Dallas increased its Over 65 and Disabled Person Exemptions from \$107,000 to \$115,000 for the 2022 Tax Year.

\*\*\*\*El Paso increased its Over 65 and Disabled Person Exemptions from \$40,000 to \$42,500 for the 2022 Tax Year.

If you have questions concerning this information, please contact Richard Zavala, Interim Director of the Planning and Data Analytics Department, at 817-392-6222.

**David Cooke**  
City Manager