

How does Texas stack up when it comes to income, property tax?

State continues to climb list of states with highest effective property tax

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Posted: 10:07 PM, November 07, 2017

Updated: 10:28 PM, November 07, 2017

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HOUSTON - Texas continues to climb the list of states with the highest effective property tax.

USA Today **published an article in April** that places Texas in a tie for second place among states with the highest effective property tax. The underlying data for the article was gathered by ATTOM Data Solutions.

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"We're going the wrong direction," said state Sen. **Paul Bettencourt**, R-Houston.

"The troublesome part is what people pay at the end. It's called their tax bill," said Bettencourt, a former Harris County tax assessor-collector.

The tax rate is just part of the problem, the senator said. Rising valuations have led to skyrocketing property tax bills.

"Harris County has had a 36 percent revenue increase in property taxes in three years," Bettencourt said. "That's an enormous amount of money."

Texas, by way of the state constitution, does not collect income tax, but does the offset really work in favor of Texas residents?

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"Generally, Texas, for the individual, is always going to be the lower tax option," said Dale Craymer, president of the **Texas Taxpayers and Research Association**.

Craymer, whose organization is funded largely by businesses with big tax bills, said that businesses in Texas are taxed at a much less favorable rate while individuals and families tend to fare better than the average American in terms of state tax burden.

According to **Wallet Hub**, in 2017, Texas ranks No. 34 for highest tax burden, which takes into account property, income and sales taxes.

There are seven states that do not collect any form of state income tax: Texas, Alaska, Florida, Nevada, South Dakota, Washington and Wyoming.

Of this group, in 2017, according to the Wallet Hub study, Wyoming (No. 42), South Dakota (No. 44), Florida (No. 45) and Alaska (No. 49) have lower total effective tax rates.

Nevada (No. 30) and Washington (No. 33) have slightly lower total tax burdens for individuals.

New York, at 12.94 percent, has the highest combined effective tax rate in the Wallet Hub study. Texas and Illinois are tied for second.

Taxpayers in Delaware, at 5.59 percent, pay the lowest combined effective tax rate.

For a **quick comparison tool** of property taxes in specific cities, both inside and outside Texas, you can use this calculator, keep in mind that it is a rough calculation and does not calculate exemptions.

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