

## B.-Tax Structure

Many move to Texas to enjoy its low tax structure. Texas is one of the few states without a state income tax - a reprieve many enjoy who need to make the best use of every dollar they earn. In 2011, Texas was almost the lowest per capita tax state in the nation, ranking 49th in per capita state taxes, or \$1,434 per person. Statistics show state and local taxes consume a smaller proportion of Texans' incomes - 9.4%. The national average is 10.6%.

### Ad Valorem (Property) Tax

Texas does not have a state property tax. Local governments and special taxing districts levy taxes on real and tangible personal property. All property is appraised at full market value, and taxes are assessed by local county assessors on 100% of appraised value. In 2004, the Chandler City Council, Henderson County, and Brownsboro ISD voted unanimously to voluntarily exercise their option to freeze property taxes for senior citizens. The following are available property tax exemptions.

#### Homestead Exemptions

Description	Local Option Pct	Amount Granted
BROWNSBORO ISD	20% (minimum \$5,000)	\$15,000
HENDERSON CO FM/FC %	n/a	\$3,000

#### Over-65 Exemptions

Description	Amount Granted
BROWNSBORO ISD	\$16,000
CITY OF CHANDLER	\$5,000
HENDERSON	\$25,000

#### Disability Exemptions

Description	Amount Granted
BROWNSBORO ISD	\$10,000

\* Either a disability or over/65 exemption may be claimed, but not both.

However, it is best to have an over/65 exemption.

**Veteran Exemptions**

<b>Percentage Disability Ratings</b>	<b>Amount Granted</b>
at least 10% but less than 30%	up to \$5,000 off Assessed Value
at least 30% but less than 50%	up to \$7,500 off Assessed Value
at least 50% but less than 70%	up to \$10,000 off Assessed Value
at least 70% but less than 100%	up to \$12,000 off Assessed Value
100%	100% Homesteadable Value

Chandler taxes are average for the area.

City	City Tax	School	County	County FM/FC%	College	Water	ESD	TOTAL
Arp	0.562400	1.270000	0.323900		0.154000		0.084648	2.394948
Bullard	0.557500	1.470000	0.323900		0.182176		0.084648	2.618224
Lindale	0.493300	1.450000	0.323900		0.182176		0.059780	2.509156
Overton	0.576530	1.270000	0.323900		0.154000		0.084648	2.409078
Troup	0.842300	1.110800	0.323900		0.154000		0.084648	2.515648
Tyler	0.208900	1.375000	0.323900		0.182176			2.089976
Whitehouse	0.672100	1.193000	0.323900		0.182176		0.084648	2.455824
Winona	0.381600	1.446690	0.323900		0.182176		0.084648	2.419014
Athens	0.600387	1.118647	0.418386	0.054272	0.081500	0.124673		2.397865
Brownsboro	0.389200	1.390000	0.418386	0.054272	0.081500		0.065000	2.398358
Chandler	0.450000	1.390000	0.418386	0.054272	0.081500			2.394158
Eustace	0.382529	1.276300	0.418386	0.054272	0.081500			2.212987
Frankston	0.364400	1.040000	0.418386	0.054272	0.081500			1.958558
Mabank	0.460000	1.380000	0.418386	0.054272	0.081500			2.394158
Trinidad	0.509990	1.423900	0.418386	0.054272	0.081500		0.030000	2.518048
<b>AVERAGE</b>	<b>0.496742</b>	<b>1.306956</b>	<b>0.367993</b>	<b>0.054272</b>	<b>0.129559</b>	<b>0.124673</b>	<b>0.073630</b>	<b>2.379067</b>

### Sales and Use Tax

Residents of Chandler must pay a sales and use tax on certain purchases of goods and services. Texas exempts sales taxes on groceries, medicine, property for resale, manufacturing equipment, and many items used exclusively on farms and ranches for food production. The following table shows the itemized total of the sales and use tax in Chandler:

Taxing Entity	Tax Rate
City of Chandler	1.50%
Henderson County	0.50%
State of Texas	6.25%
<b>TOTAL</b>	<b>8.25%</b>

### Municipal Revenue

The city of Chandler has many sources of income. Like most cities Chandler's predominant forms of income are from user/utility fees, property tax, sales tax and franchise fees.

#### Locals Sales and Use Tax

The Texas Comptroller of Public Accounts returns (or allocates) money to the city of Chandler for their local sales tax collection. Allocation amounts generally represent taxes collected on sales made two months or more prior to the allocation payment. The Table below is a record of allocations to Chandler from 2007 to December 2011.

#### City of Chandler Sales Tax by month from Texas Comptroller

Month	2007	2008	2009	2010	2011
January	30,020	27,080	28,723	26,997	27,668
February	43,797	48,367	47,497	39,624	44,757
March	25,967	27,930	29,763	28,247	29,338
April	24,657	29,907	31,962	26,641	27,304
May	42,037	46,662	46,281	52,336	49,705
June	34,589	34,735	30,261	28,664	35,672
July	28,013	31,600	28,626	29,516	33,148
August	40,957	37,815	48,799	49,157	47,981
September	29,624	31,889	28,204	29,487	30,075
October	29,241	29,616	30,384	29,196	38,835
November	48,734	44,812	44,921	48,417	48,217
December	28,066	31,372	27,778	32,547	34,791
<b>Total for the year</b>	<b>405,700</b>	<b>421,785</b>	<b>423,198</b>	<b>420,829</b>	<b>447,491</b>

Total annual sales tax allocation amounts since 1988 have increased each year until the poor economy resulted in a slight decrease in 2010. This overall increase is due to several factors: increase in population and retail and eating establishments; and the city of Chandler began collecting Title 4B Sales Tax as of January 1, 1998, according to the Texas Comptroller's office.

**City of Chandler Sales Tax by year from Texas Comptroller**

Year	Annual Sales Tax
1987	\$49,381
1988	\$47,763
1989	\$70,260
1990	\$78,981
1991	\$91,065
1992	\$98,853
1993	\$117,750
1994	\$140,067
1995	\$140,731
1996	\$160,337
1997	\$169,521
1998	\$230,829
1999	\$261,001
2000	\$273,117
2001	\$291,940
2002	\$287,601
2003	\$299,553
2004	\$352,816
2005	\$357,930
2006	\$404,970
2007	\$405,700
2008	\$421,785
2009	\$423,198
2010	\$420,829
2011	\$447,491

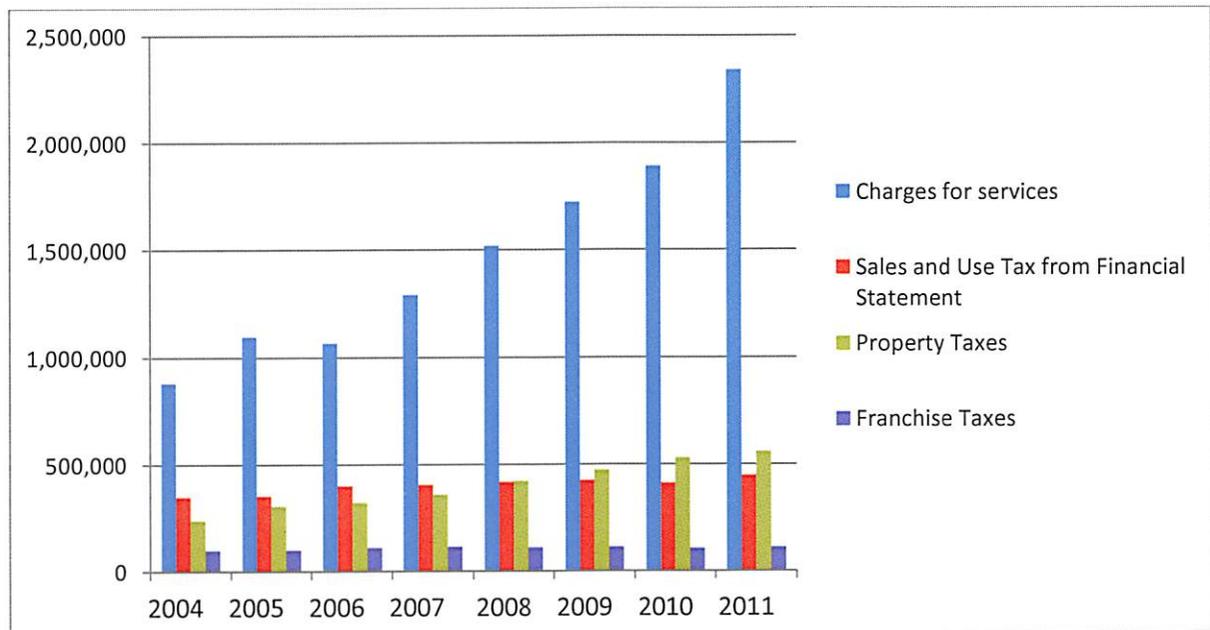
**Property (Ad Valorem) Tax**

Property taxes have continued to have double digit percent increases over the past 4 years and have overtaken sales tax as a source of revenue for the City.

**City Property Tax – 2004-2011**

	Property Taxes	% Increase
2004	239,087	
2005	306,275	28.1%
2006	324,299	5.9%
2007	359,739	10.9%
2008	423,354	17.7%
2009	474,557	12.1%
2010	529,645	11.6%
2011	561,233	6.0%

**Primary City Revenue 2004 – 2011**



**Total City Revenue 2004 – 2011**

Revenue								
	User / Utility Fees	Grants and Contributions	Sales and Use Tax from Financial Statement	Property Taxes	Franchise Taxes	Interest Income	Other	Total Revenue
2004	880,894	20,262	351,097	239,087	100,535	6,777	5,450	1,604,102
2005	1,097,693	18,558	355,892	306,275	101,502	9,720	0	1,889,640
2006	1,067,860	211,180	402,493	324,299	113,034	72,524	0	2,191,390
2007	1,291,847	0	406,336	359,739	116,992	63,007	19,025	2,256,946
2008	1,518,320	39,612	418,480	423,354	113,308	34,943	7,800	2,555,817
2009	1,722,492	0	426,793	474,557	114,322	29,107	0	2,767,271
2010	1,891,253	0	412,565	529,645	108,648	15,785	0	2,957,896
2011	2,339,851	0	488,743	561,233	113,192	16,886	0	3,479,905

**Municipal Expenses**

Expenditures for Water and Sewer, General Government, and Public Safety are all proportionate and make up the top 3 expenses for the City.

**Total City Expenses 2004 – 2011**

Expenses								
Year	General Government	Public Safety	Env. And Public Service	Highways and streets	Parks and Recreation	Interest	Water and Sewer	Total Expenses
2004	291,636	331,522	69,519	105,963	58,823	5,631	584,191	1,447,285
2005	264,974	337,950	69,098	103,821	51,198	8,098	581,445	1,416,584
2006	299,538	374,228	81,017	99,157	88,529	1,543	661,045	1,605,057
2007	371,761	446,591	95,834	147,696	92,577	7,520	694,509	1,856,488
2008	641,761	542,741	85,637	157,669	109,117	11,942	698,597	2,247,464
2009	671,900	655,090	95,359	174,099	105,570	11,698	717,378	2,431,094
2010	850,767	717,716	86,971	226,626	128,943	10,934	881,988	2,903,945
2011	1,016,891	726,794	87,942	237,931	136,055	44,356	1,083,886	3,333,855

Total Revenue Compared to Total Expenses – 2004 to 2011

