

Name _____

Cracking the Code: Understanding Taxes in Texas

Short Answer Key

1. The total sales tax rate in Texas can vary because local governments can add their own sales tax on top of the state rate, resulting in different rates for different locations.
2. Sales tax in Texas is typically applied to most goods and some services, including restaurant meals and hotel accommodations.
3. Local governments in Texas use property tax revenue to fund services like public schools, police and fire departments, road maintenance, and public parks.
4. Central appraisal districts in Texas determine the assessed value of properties by assessing their market value and making adjustments based on factors like location and property type.
5. The franchise tax in Texas is a business tax imposed on most entities that do business in the state. It applies to corporations, limited liability companies, partnerships, and other business structures.

