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For Immediate Release

2000 Sales Tax Trends

Sales Tax Rate Changes in 2000 Lowest in 10 Years

BERWYN, PA, April 19, 2001 – In 2000, the number of sales tax rate changes across the United States dropped to a 10-year low of 530, according to Vertex Inc., the leading provider of state and local tax software and research. This data and more is part of a study recently released by Vertex that chronicles sales tax trends, facts and figures. The report can be accessed at www.vertexinc.com.

The average number of annual sales tax rate changes at the state, county and city levels since 1990 is 635. In 2000, sales tax rate changes at the city level dropped to a 10-year low of 368 while rate changes at the county level reached 133, the lowest number since 1996.

“While the sales tax rate changes in 2000 represent a dramatic decline over the activity that occurred during the mid-90’s, we actually have seen a gradual decline in sales tax rate changes over the past three years,” said Bruce Pierce, Chief Taxation Officer for Vertex. “With the strong economy, many state and local jurisdictions have experienced healthy budget scenarios, and in some cases, surpluses. Consequently, the need for these jurisdictions to add new sales taxes or alter existing rates diminishes.”

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In 2000, 186 *newsales* taxes were imposed: 37 by counties, 128 by cities and 21 by districts. This compares with 51 new county, 184 city and 6 district sales taxes in 1999.

There were 289 rate *increases* in 2000: 78 at the county level and 211 by cities, compared with increases by 1 state, 92 counties, 206 cities and 1 district in 1999.

Rate *reductions* totaled 55 in 2000. One state, 18 counties, 29 cities and 7 districts lowered existing rates; compared with 27 counties, 28 cities and 2 districts in 1999.

Sales Tax Summary Data Since 1990

- Since 1990, there have been 2,273 *newsales* and use taxes, an average of 207 per year.
- Since 1990, there have been 4,711 sales and use tax *changes*, an average of 428 per year.
- The combined number of *new* and *changed* sales and use tax rates since 1990 is 6,984, an average of 635 per year.

More information on 2000 sales tax rates is available in the Tax Cybrary section of the Vertex web site, www.vertexinc.com.

About Vertex

Founded in 1974, Vertex Inc. is a privately held firm providing more than 10,000 corporate customers with tax compliance software and research services for sales and

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use tax, property tax, payroll tax, and telecommunications tax. Headquartered in Berwyn, PA, with regional offices in Chicago, Dallas, Washington and Walnut Creek, CA, Vertex has strategic partnerships with the leading applications and e-Business providers including Clarify, IBM, J.D. Edwards, Lawson, Microsoft, Oracle, PeopleSoft, SAP, Siebel and many more. The company recently became one of only 35 software firms worldwide to receive the prestigious Support Center Practices certification. More information: **www.vertexinc.com**. Vertex is a registered trademark of Vertex Inc.

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Sales Tax Rate Changes 1990-2000

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
State Rate Changes	9	9	9	3	5	1	1	3	1	1	1
County Rate Changes	120	122	142	153	159	105	90	165	162	119	96
City Rate Changes	384	234	351	299	352	271	257	263	238	234	240
Transit Tax Changes	24	8	3	9	10	34	4	2	8	3	7
New Taxing States	0	0	0	0	0	0	0	0	0	0	0
New Taxing Counties	37	54	116	25	30	41	43	33	23	51	37
New Taxing Cities	68	110	150	103	145	203	248	148	141	184	128
New Transit Taxes	39	13	17	8	6	9	10	20	6	6	21
TOTAL	681	550	788	600	707	664	653	634	579	598	530

Source: Vertex Inc. of Berwyn, Pa.
www.vertexinc.com

2000 Sales Tax Rate Changes

<u>Months</u>	<u>State</u>			<u>County</u>			<u>City</u>			<u>District</u>			<u>Sub Totals</u>		<u>Total</u>
	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Increases	Decreases	New	Changes	New	
1996	0	1	0	64	26	43	239	18	247	1	3	10	352	300	652
1997	1	2	0	143	22	33	243	20	148	2	0	20	433	201	634
1998	0	1	0	130	32	23	221	17	141	4	4	6	409	170	579
1999	1	0	0	92	27	51	206	28	184	1	2	6	357	241	598
2000	0	1	0	78	18	37	211	29	128	0	7	21	344	186	530

Source: Vertex Inc. of Berwyn, Pa.
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