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For Immediate Release

2000 Sales Tax Trends

Vertex Study Shows Average Sales Tax Rate Leveling Off After 18 Consecutive Years of Increases

BERWYN, PA, April 19, 2001 – After 18 consecutive years of steady increases, the average sales tax rate combining state, county and city levels throughout the United States has leveled off, according to statistics released today by Vertex Inc., the leading provider of state and local tax software and research. This information 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.

For the second straight year, the average combined sales tax rate remained below the 1998 all-time high combined average sales tax rate of 8.251%. In 1999 the sales tax rate decreased to a new low of 8.231%. The rate increased slightly for 2000 to 8.235%, but still remains below the 1998 average rate.

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"After nearly two decades of steady growth, it appears the combined average sales tax rate has finally peaked," said Bruce Pierce, chief taxation officer for Vertex. "The strength of the economy and healthy state and local budgets during this time period appear to be the primary reasons for the leveling effect on the average combined rate figure."

Other 2000 sales tax findings by Vertex's study include:

1. Approximately 7,500 state, county and city jurisdictions in the United States charge a sales tax.
2. The 2000 national average sales tax rate for
 - cities is 1.556%
 - counties is 1.551%
 - states is 5.128%
3. The city of Wrangell, Alaska imposes the highest city-level sales tax rate at 7%. (Note: Wrangell's sales tax is a maximum tax imposed on the first \$1,000 of a single item transaction.)
4. The city of Arab in Cullman county Alabama continues to have the highest combined sales tax rate (11%) in the country.
5. Six parishes in Louisiana and two counties in Alaska impose the highest county-level

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sales tax in the nation at 5%.

6. Mississippi and Rhode Island have the highest state-level sales tax rate of 7%.
7. The Dallas Fort Worth Airport, considered part of 3 cities, has 3 different local sales tax rates: 1% city and 1% district in Irving; 2% in Euless; 1% in Grapevine.
8. Alaska cities Seldovia and Whittier charge a higher sales tax rate in summer than in winter. Seldovia sales tax rate from April 1 through September 30 is 4.5%, but during October 1 and March 31 the sales tax rate drops to 2%. Whittier sales tax rate from April 1 through September 30 is 3%, but during October 1 and March 31 the sales tax rate drops to 0%.

More information on 2000 sales tax rates is available in the Tax Cybrary section of the Vertex web site, located at 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 use tax, property tax, payroll tax and telecommunications tax. Headquartered in

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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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Summary Of Average U.S. Sales Tax Rates 1981-2000

<u>Year</u>	<u>State Avg. Rate</u>	<u>County Avg. Rate</u>	<u>City and District Avg. Rate</u>	<u>Combined Average Rate</u>
1981	4.101%	1.153%	1.261%	6.515%
1982	4.261	1.162	1.294	6.717
1983	4.489	1.215	1.304	7.008
1984	4.546	1.223	1.325	7.094
1985	4.554	1.246	1.340	7.140
1986	4.686	1.331	1.364	7.381
1987	4.762	1.299	1.388	7.449
1988	4.784	1.321	1.398	7.503
1989	4.846	1.336	1.503	7.685
1990	4.945	1.339	1.528	7.812
1991	5.021	1.304	1.540	7.865
1992	5.068	1.378	1.561	8.007
1993	5.090	1.406	1.604	8.100
1994	5.125	1.415	1.606	8.146
1995	5.120	1.437	1.613	8.170
1996	5.130	1.494	1.593	8.217
1997	5.130	1.507	1.611	8.248
1998	5.109	1.519	1.623	8.251
1999	5.135	1.543	1.553	8.231
2000	5.128	1.551	1.556	8.235

Note: Averages are based on jurisdictions that impose a sales tax.

Source: Vertex Inc. of Berwyn, Pa.

www.vertexinc.com