



Thomson Reuters Announces Sabrix Report on Changes to State and Local Sales and Use Tax Codes

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Over 91 Percent of Tax Changes Were Increases or New Taxes Correlating Data From U.S. Census Bureau

NEW YORK, NY, Jul 26, 2010 (MARKETWIRE via COMTEX) --

The Tax & Accounting business of Thomson Reuters today announced the latest Sabrix report on changes to state and local sales and use tax codes. There were a total of 131 changes with 91.6 percent of them being increases or new taxes.

The Sabrix report correlates data from the U.S. Census Bureau, "Quarterly Summary of State and Local Government Tax Revenue," (http://ftp2.census.gov/govs/qtax/information_sheet.pdf) June 29, 2010 revealing that state sales tax revenue increased for the first time in six quarters, growing by 0.3 percent indicating continued reliance on sales and use tax to address government deficits.

Highlights of the Sabrix report include:

- 80 increases, 40 new taxes and 11 decreases.

- 2 state changes, 19 county changes, 83 city changes and 27 transit changes. □

- The highest combined sales tax rate (state, county and city) of 11 percent was in Arab, AL and Bellwood, IL (inside districts), followed by St. Louis, MO at 10.491 percent. The average combined rate was 8.3 percent in Q2 2010.

- California had the highest state rate at 7.25 percent, followed by Indiana, Mississippi, New Jersey, Rhode Island, Tennessee and South Carolina at 7 percent compared to the average state sales tax rate of 5.49 percent in Q2 2010. Note that this only represents the state designated portion of the sales tax, not the total combined state, county and city rate.

- Sitka, AK had the highest borough/county rate at 6 percent, followed by Hinsdale, CO; Juneau, AK; Chambers, AL; Tuscaloosa, AL; Iberville Parish, LA; Orleans Parish, LA; St. Bernard Parish, LA; and St. Charles, LA at 5 percent compared to the average county sales tax rate of 1.15 percent in Q2 2010. Note that this only represents the borough/county designated portion of the sales tax, not the total combined state, county and city rate.

- Alaska is home to the top ten highest city rates with Wrangell, AK at 7 percent, followed by Bethel, AK; Buckland, AK; Cordova, AK; Dillingham, AK; Hoonah, AK; Kodiak, AK; Kotzebue, AK; Petersburg, AK; and Thorne Bay, AK at 6 percent compared to the average city sales tax of 1.66 percent in Q2 2010. Note that this only represents the city designated portion of the sales tax, not the total combined state, county and city rate.

"Regardless of whether there is a tax increase, decrease or a new tax all together, each change represents a significant

operational outlay for businesses that are burdened with implementing those changes in a timely fashion," said Carla Yrjanson, vice president, Sabrix Tax Services, part of the Tax & Accounting business of Thomson Reuters. "As government continues to rely on sales and use tax to address their budget shortfalls, the cost of compliance will keep rising, particularly for businesses that manage the process in-house."

To download the full report, go to: http://www.sabrix.com/documents/Q2_2010_Sabrix_Sales_Tax_Report.pdf.

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