



FOR IMMEDIATE RELEASE

Vertex's Latest Tax Rates and Rules Report Highlights a Surge in District Taxes

The 2024 End-of-Year Report showcases significant changes in the tax landscape, indicating additional complexity in 2025

King of Prussia, PA – January 29, 2025 – [Vertex Inc.](#) (NASDAQ:VERX) (“Vertex” or the “Company”), a global provider of tax technology solutions, today released the findings of their 2024 U.S. state and local End-of-Year Rates and Rules Report. It highlights notable growth in district-level tax activity, including an increase in new district taxes and rate changes, as local governments respond to economic pressures and fiscal challenges heading into 2025.

Amid rising demand for public services and the need to address fiscal pressures, local governments continue to add new levies at a high rate. In 2024, 171 new district taxes were enacted, marking the third highest total in the past seven years, along with 51 new taxing cities and three new taxing counties. The [bi-annual report](#), which outlines the evolving and complex U.S. sales tax landscape, uncovers key year-over-year trends.

"Looking back at 2024, the U.S. saw record-breaking activity at the city level with rate changes soaring and new district taxes reaching a 10-year high," said Michael Bernard, Vertex VP Chief Tax Officer. "Now that 2025 is underway, indirect tax leaders must leverage this data to inform and refine their plans – ensuring they are prepared to navigate substantial changes and increased complexities throughout the year."

Key findings from the Vertex 2024 End-of-Year Sales Tax Rates and Rules Report include:

- **Shifting dynamics in local tax structure** – Districts are increasingly adopting sales taxes to address specific funding needs, such as public safety and utilities. The 171 new district taxes enacted in 2024 represent a considerable increase in local tax activity. Notably, however, the number of district tax rate decreases outpaced increases—a rare occurrence that highlights evolving fiscal management strategies.
- **Local governments feel the squeeze** – Local municipalities continue to feel ongoing economic headwinds and are tasked with identifying additional revenue streams to close the gap that inflation and other challenges create. Vertex reports 251 city-level tax rate changes - one of the highest numbers in the past decade and up 30% from 2023 - and 220 rate increases, up almost 40% from 2023.
- **States see record decrease, for now** – The state average tax rate dropped to the lowest level in a decade, to 5.4%, but a new administration could usher in fiscal uncertainty at the state level. Federal tax acts passed during the previous administration offered support to the states, particularly pandemic relief, green initiatives, infrastructure and prescription medications. But that funding expired at the end of 2024 meaning many states could be in search of revenues via other avenues – and likely, through implementing additional sales tax.

Global Trends to Watch

In 2024, over 75 countries, including the U.S., held elections, paving the way for political transitions and policy changes in 2025. Many have already raised VAT tax rates to address inflation, defense spending, and growing social service demands, with more increases expected. Countries are also focusing on digital services to create fairer tax systems and boost collections. E-invoicing mandates are progressing across Europe and other regions, increasing complexity for businesses and highlighting the need for robust tax compliance systems. Additionally, Brazil is set to implement its most significant indirect tax reform since the 1960s next year.

While this analysis is outside the scope of the report, these global trends are shaping the broader tax landscape. Vertex will provide deeper insights on these developments in upcoming thought leadership blogs.

Implications for Indirect Tax Teams in 2025

As the sales tax landscape becomes increasingly complex and the global shift towards VAT and e-invoicing slowly comes to fruition, indirect tax teams must lean on technology for comprehensive tax management in 2025. Cross-functional collaboration, streamlined processes, leveraging tax automation applications, increased visibility and continuous education are vital to keeping pace with tax rate and rule changes. Together, these efforts ensure business continuity and a consistent, superior customer experience.

For more information, [download the full report](#).

About Vertex

Vertex, Inc. is a leading global provider of indirect tax solutions. The Company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply and grow with confidence. Vertex provides solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, value added and payroll. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,500 professionals and serves companies across the globe.

For more information, visit www.vertexinc.com or follow us on [Twitter](#) and [LinkedIn](#).

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