



NEWS

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School Finance “Reform” Often Leads to Tax Increases

Texas legislators should look to example of other states.

WASHINGTON, D.C. – Gov. Perry (R) is calling the Texas legislature into special session today to reform public school finances. He proposes to relieve the ever-growing burden of property taxes by having the state take over more of the school finance burden.

But groups taking a national perspective are urging caution to lawmakers. They point to other states that have raised some taxes in order to fund property tax relief.

“The desire to reduce property taxes is often sincere, and always justified,” said Grover Norquist, president of Americans for Tax Reform. **“Property taxes are often the most painful charge that hard-working families have to pay. And a booming housing market ratchets up the tax burden each year. But shifting some of the burden for education to the state government presents new dangers – the poorest, most bureaucratic, or least efficient school systems suck up all the resources, without having to pay the costs. At the same time, more efficient districts find state aid lacking, and often have to resort to higher property taxes to make up the difference.”**

Gov. Perry has proposed lowering the property tax cap and limiting valuation growth. To make up the lost funding, the state would raise several other taxes and then transfer funds to local districts. But many proposals are floating in Austin to modify or replace Perry’s plan.

“Lawmakers must be very careful about the final product of their special session,” Norquist continued. **“Gov. Perry has promised that his finance plan will be revenue-neutral today, and will not lead to tax increases in the future. But if the legislature modifies his plan, taxpayers could easily find themselves on the hook for large tax increases now and in the future. Other states have paid the price for sloppy education finance reform; Texas must be vigilant to avoid a similar fate.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.