



NEWS

AMERICANS FOR TAX REFORM

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Reports: Texas Legislative Negotiators Return to Idea of Tax Increases for Schools

Tax increases already shown to be a political non-starter.

Washington D.C. — According to the Houston Chronicle, the committee of legislators appointed to work toward a school finance reform plan has agreed to several “goals.” The goals include increasing state taxes by \$6 billion; increasing the state share of education funding from 40% to 60%; capping property tax levies at \$1.00 per \$100; and adding \$1 billion or more in new spending on education.

The committee was set up to find a plan that the governor and both houses of the legislature could agree upon. The previous special session addressing school finance ended when support collapsed for any plan that included higher overall tax burdens.

“The legislative negotiators need to look back to what happened in the special session,” said taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“An overall tax increase will kill any reform plan. Gov. Perry rejects any proposal that increases the tax burden, and 41 legislators have signed a written Pledge to oppose any such plan. When Speaker Craddick proposed a plan that was a net tax increase, support dried up in a matter of hours. Anyone who is serious about reform will not propose a tax increase.”**

The broad goals announced by the legislators envision \$6 billion or more in new taxes. \$5 billion of that figure would be used to reimburse localities when their property tax levy cap is reduced from \$1.50 to \$1.00. The remaining \$1 billion or more would be poured into education. So far there is no agreement what form the new taxes would take.

“Gov. Perry called on legislators to reform the method of financing education, and the big spenders are using it as an excuse to raise taxes,” Norquist continued. **“A higher tax burden is bad for Texas families, bad for Texas business, and does nothing to reform the broken Texas education system. On top of this, it is a political dead end. Legislators should join Gov. Perry in insisting any reform be revenue-neutral.”**

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