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CONTACT: John Kartch
Nathan Pick
202-785-0266

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Amendment 5 Leaves the Door Open for a Tax Hike

Florida's Tax Swap Could Produce a Tax Increase

WASHINGTON, D.C. – On Thursday, August 14th, Judge John Cooper of the U.S. Circuit Court in Leon County ruled to strike Amendment 5 from the November ballot on the basis of its language lacking clarity. Since then, supporters of the amendment have appealed; the amendment has travelled through the 1st District Court of Appeals on August 19th without a ruling and now is scheduled for the Florida Supreme Court to hear oral arguments on September 8th.

Amendment 5, if passed, would cut out the portion of the property tax allocated to schools by about 25 percent while allowing up to a one percent increase in local sales taxes to make up for a portion of the initial tax cut. With this said, the problem comes into play when the legislature begins to look the revenue that they have promised will be made up when the tax swap is completed. Taxes on services and tax hikes in other areas would be on the table in order to “make up” some 11 billion dollars. Amendment 5 would open the door for a tax increase.

“This ‘tax swap’ smells like it could be a tax hike, it at least opens the door for tax hikes and government growth. Cutting one tax that’s tough to raise, and then replacing it with other taxes has time and again led to a higher overall tax burden,” Norquist said. “If the Florida government is serious about tax relief, they need to offer it without making up the revenue with other taxes, opening the door to a larger tax bill.”

Americans for Tax Reform is opposed to Amendment 5 due to the opportunity for tax increases that the Amendment would make available. Apart from the 1 percent sales tax cap that restricts localities from raising the sales tax more than 1 cent, there are no other caps set in place that would defend the taxpayer from a possible increase.

Norquist continued, “Bottom line, this tax swap leaves the back door open for tax increases.”

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 John Kartch at (202) 785-0266 or at jkartch@atr.org.

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