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Editorials

Tax increase not in cards

TPPF says it would hurt those at margins

When the Governor delivered his State of the State address last week, he was right to take tax increases off the legislative table, according to a spokesman for one of the state's leading policy think tanks.

"A tax increase to solve our economic and budget problems is like removing someone's heart because they have low blood pressure," said Texas Public Policy Foundation's Michael Quinn Sullivan. "The Governor clearly told the Legislature that a tax increase won't be tolerated. Raising or expanding taxes only increases the fiscal pain felt by the least fortunate Texans. Tax increases are the most painful to people living at life's economic margins."

The Foundation's research has shown that increasing taxes not only lowers personal wealth and reduces the opportunities available to individuals, but actually drives down the economic growth of a state. During the 1990s, more than 1,000 people per day moved from high-tax to low-tax states such as Texas, according to an analysis of U.S. Census data by economist Richard Vedder, Ph.D.

"Left-leaning critics of the governor are disingenuously arguing that the state should "modernize" the tax system and bring it 'in line' with today's economy. What they are really trying to do is to make it easier for legislators, bureaucrats and special-interest groups to access every Texan's wallet, increase taxes and spend more and more with less accountability," said Sullivan.

The Foundation has long advocated greater accountability in the state's spending, said Sullivan. Every program and line item should justify both its existence and cost to the public, he added.

"Texas is already more efficient than many other states, but more can be done. The governor should be congratulated for taking the lead and pushing for zero-based budgeting. Under this new budgeting method, Texans can make sure the first dollar of government spending is justified, rather than hoping to find efficiencies in the last few dollars of unjustified expenses. This is a victory for open government."

Also in his speech, the Governor vowed to keep the state's commitment to increasing academic achievement. The Foundation has for many years advocated higher academic standards across the board, and for greater accountability in Texas schools. "We're pleased that Gov. Perry won't back down on the state's commitment to ensuring a quality education for all Texas schoolchildren. We cannot sacrifice a child's education for the sake of political expediency."

"Last November the people of Texas said in clear terms that they wanted to keep taxes low, make government more accountable and improve educational opportunities for our children. From the tone of his recent speech, Gov. Perry is making good on that demand. Now the Legislature must do likewise."