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**'Split-roll' education tax under consideration by Perry's office**

**By Patty Mullins**  
Contributing Writer

Tax season is upon us again. So is the time to talk reform, even overhaul, with respect to school taxes.

Governor Rick Perry's office confirmed Thursday that his office is considering a "split roll" statewide education tax on businesses, among many other options.

Perry is in the process of formulating his education finance proposal, and "everything," including the split roll tax, "is on the table," according to Robert Black, spokesman for the governor's office.

"Everything but an income tax," Black qualified. The proposal could come any time now.

The split roll tax would keep city, county, and other ad valorem tax collection the same, but fund schools with a state business income tax. Business property would be taxed by the state using a legislatively-established property tax rate, if a typical split roll tax is adopted.

The Legislature has been hard at work considering various alternatives to the current system, dubbed "Robin Hood," because rich districts now send an increasing percentage of their tax levy to poor districts, based on enrollment and wealth-per-student. Rich districts are claiming Robin Hood is making them poor.

According to a January 2004 report by the Texas Public Policy

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Institute, a split roll tax would be beneficial because it would be more "economically efficient" by "eliminating the differential cost considerations for business." It would also take from 1,033 school districts, which tax at varied rates, the responsibility to levy the tax, thus streamlining school finance.

A state income tax per se would require a constitutional amendment; a split roll tax would not. However, it would represent "a major change in property tax policy," because the bulk of property taxes are school taxes, according to TPPI.

General justification for the split roll tax is that it is one way to replace "Robin Hood." Property owners have borne a larger and larger portion of school funding, and the state should reclaim the bulk of that responsibility. The state will fund even less of public education in 2004-05, at about 39 percent, according to TPPI, down from figures in the forties in recent years.

But opponents of the state education tax, as the split role tax is also called, say that the measure will raise less money for schools, perpetuating, even worsening, the financial bind. A split roll tax is opposed in principle by the Texas Taxpayers and Research

Association, which argues that the "split roll" reduces citizen interest in governmental budgets.

"Unless people share the cost of paying for governmental services, they have little interest in controlling the cost of those services," according to the TTRA website.

TPPI summarizes the "pros" of a split tax as follows: it would increase efficiency, end competition among communities over tax abatements, and requires no radical change in the state's tax administration.

The "cons," according to TPPI, are that a split tax would polarize property tax jurisdictions into "rival factions," create "logistical problems" for current tax abatement programs, and "hide the true tax burden."