



18060 Say no to a state income tax

Boerne Star
Boetne, TX
Circ. 5055
From Page:
4
4/12/2004
92198

With the decision to call a special session on education finance days away, State Senators Leticia Van de Putte of San Antonio and Eliot Shapleigh of El Paso recently addressed a group of residents at the University of Texas at San Antonio's downtown campus. At the end of their presentation, Senator Eliot Shapleigh urged San Antonio residents to begin rallying support for a state income tax as the solution to resolve the Texas education funding debate.

In recent weeks Leticia Van de Putte has held numerous town hall meetings touting that more money is needed to improve educational performance. She has gone on record stating that she would support a state income tax if necessary. For the record Texas ranks 45th in the nation in number of high school graduates it turns out and 47th in the nation on SAT scores. These statistics are indicative of a lack of accountability by legislators such as Leticia Van de Putte who have represented our chil-

dren's interest over the past years. The fact is that increasing funding into a

MORE PI

system that simply does not work gives no guaranty that these dismal statistics will be improved.

Recently Governor Perry has made clear Four Principles that he wants to see guide the legislative process in a special session. One of those guiding principles is that any resultant legislation must sustain and enhance a healthy Texas job climate.

The Texas Public Policy Foundation, in a recent report entitled *Effective, Efficient, Fair - Paying For Public Education In Texas* states: "There is abundant evidence that income taxes are particularly egregious in their negative economic effects. To cite one recent study using data from

IN TALK

23 countries, scholars concluded "the proportion of tax revenue raised by taxing per-

sonal income has a negative correlation with economic growth". Income taxes adversely impact the creation of small businesses as well, the source of new jobs."

"Moreover, the American experience has been that states implementing income taxes have far more rapid growth in the overall tax burden (with negative economic effects) than those without

income taxes. From 1957 to 1997, the 12 states implementing income taxes saw their overall tax burden rise by an average of 37.2 percent, compared with 10.5 percent in the eight states without income taxes, and 23.4 percent in states with income taxes already in place 1957."

"Income taxes are a "cash cow" enabling legislators to increase spending easier than otherwise, and the empirical evidence is that they do so. Income taxes promote the crowding out of relatively more productive economic activity. Thus it is extremely important that policymakers avoid moving toward an income tax if Texas places value on economic prosperity and living standards."

The decision-makers of Texas owe it to themselves, their constituents and future generations to avoid engaging in counterproductive and expensive solutions to the issue of public education financing. Rather they need to move to an educational delivery system that is more efficient, more effective, and enhances, rather than detracts from, Texas' economic future!

James J. McGrody of Fair Oaks Ranch is the publisher and founder of South Texas Republicans, a political advocacy web site at www.southtexasrepublicans.com. E-mail him at mcgrody@gvtc.com

