

Pocket Facts: Tax And Expenditure Limitation Reform

- Colorado's Taxpayers' Bill of Rights (TABOR), a tax and expenditure limitation, resulted in \$3.25 billion in tax rebates to Colorado citizens from 1997 to 2001.
- Texas has had a tax and expenditure limitation (TEL) amendment in its constitution since 1978; it is wholly ineffective.
- Real, per capita non-federal Texas state expenditures increased 28.5 percent from 1990 to 2003.
- If real, per capita non-federal Texas state expenditures in 2003 were the same as in 1990, Texas taxpayers could have saved \$8.7 billion in state taxes in 2003. This translates into almost \$1,600 for an average four-person family.
- Texas school district spending growth far exceeds growth in student population and inflation.
- If, in real, per student terms, Texas school districts had spent in the 2000-01 school year what they spent in the 1990-91 school year, Texas property tax payers would have saved \$5.4 billion in property taxes in 2000-01.

Policy Recommendations

Texas needs a truly effective tax and expenditure limitation in its constitution with the following provisions:

1. a spending growth limitation equal to population growth plus inflation,
2. a limitation measure that applies to all spending excluding only that which is federally funded,
3. a provision to refund surpluses to taxpayers, and
4. a limitation that applies to local governments as well as the state.

See Back For Study Information.

Tax And Expenditure Limitation Reform
Is It Needed In Texas?

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