

State income tax mulled, but not likely

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Rep. Eddie Rodriguez, D-Austin

Lawmakers are considering increasing taxes for cigarettes, gasoline, alcohol, or even the general sales tax to better fund education.

They're also considering adding slot machines to the state lottery.

But one revenue idea they are not seriously considering is a state income tax. Local political analysts say the weight of politics may have a hand in that decision.

Comptroller Carole Keeton Strayhorn is opposed to a state income tax.

"I think it's a disincentive to businesses coming to this state. I do not believe that is on the table," Strayhorn said.

Gov. Rick Perry said he doesn't believe a state income tax or even a lot of extra money for education is necessary.

Michael Sullivan, with the [Texas Public Policy Foundation](#), said too much money is going to administrative expenses or special projects instead of teacher salaries and other direct classroom expenditures.

"The way you turn that around is by re-shifting the money back into the classroom. Not into multiple layers of administrative bureaucracy, not into fancy buildings that only serve to spend lots of money," Sullivan said.

Many lawmakers say they want to put more money into education, but only two, Sen. Eliot Shapleigh, D-El Paso, and Rep. Eddie Rodriguez, D-Austin, have publicly said they want to boost the state's share of education with a state income tax.

"If we're talking about raising sales tax to potentially 10 cents on the dollar, we have to put everything on the table. I think Texas children deserve that at the very least. And taxpayers deserve that, too," Rodriguez said.

The odds of getting a state version of the federal income tax are not good. Some local political analysts say that has more to do with politicians not wanting to do what is politically unpopular, than on whether it's right for Texas.

"Income tax is in many ways the easiest way to raise the kind of dollars, from the broadest base of population with the least amount of damage and the least amount of economic distortion. But it's so unpopular with Texans, for 30 years both Democrats and

Republicans have demagogued against it," political analyst Harvey Kronberg said.

Chuck McDonald, of the public relations firm McDonald & Associates, called a state income tax "the poison pill" that "no one is willing to swallow."

McDonald's firm represents Phillip Morris. He said Phillip Morris is not trying to avoid a \$1 a pack cigarette tax hike. McDonald said he expects lawmakers will go forward with the hike, but he questions whether it will be anywhere near enough to substantially boost school funding, especially since the number of cigarette smokers is declining.

"They're walking around looking at all the little things, the low-hanging fruit," McDonald said.

Rodriguez knows the chances of getting other lawmakers to agree on a state income tax are slim, but he said it's worth a try.

"Some of my colleagues, both Republican and Democrat, tell me they think it's a good idea, but it's just not politically popular. It's worth whatever political flak that I might get to offer something that I think is the best idea out there," Rodriguez said.

The watchdog group [Center for Public Policy Priorities](#) said current bills related to education are only a tax shift and not a real increase in funding.