

Posted on Sat, Jul. 02, 2005

Dems say they may filibuster tax bill

By R.A. Dyer
Star-Telegram Austin Bureau

AUSTIN - Democrats in the state Senate would coordinate a long filibuster before allowing Texans to pay the highest sales tax in the nation.

That's the warning from Sen. Eliot Shapleigh, D-El Paso, who told reporters Friday that a plan in the Texas House to raise sales taxes in exchange for lowering property taxes would hurt almost all middle-income Texans.

The House Ways & Means Committee recently adopted the plan, House Bill 3, on a strict party-line vote. It will likely go to the full House next week and then to the Senate.

And that's where it could die if it still includes a provision to raise the sales tax from 6.25 cents per dollar to 7.25 cents, Shapleigh said. Even with lower property taxes, almost all middle-income Texans would pay more, he said. Shapleigh threatened to filibuster any plan to raise sales taxes more than a half-cent per dollar.

Legislative rules let state senators filibuster, speaking for or against bills for hours or days. Filibusters are sometimes used to kill legislation, especially during the waning days of a legislative session, when time is short.

"The real story is this: Only the wealthiest Texans will see any tax relief; everyone else will get a tax hike," Shapleigh said, referring to the legislation.

Sen. Rodney Ellis, D-Houston, also criticized the tax plan. A spokesman for Ellis said he would support Shapleigh in case of a filibuster.

"We're No. 1 and, in this case, we don't want to be," Ellis said. "Under HB 3, Texas will have the highest sales tax in the nation. Those who can least afford to pay will be forced to shoulder more of the burden of financing the state's needs, while those with the most will get an even bigger break. That is a backward policy."

The Democratic lawmakers base their claims on an analysis by the Federation of Tax Administrators, an umbrella group for government taxing agencies. It reports that 7.25 cents per dollar would be highest sales tax in the nation. However, other states would still have higher combined state and local sales taxes, according to the analysis.

The House plan would also expand the sales tax to auto repairs, computer repairs and bottled water. In exchange, the state would ratchet down the cap on local property taxes for school maintenance and operations.

Michael Quinn Sullivan, a vice president at the Texas Public Policy Foundation, said the tax swap makes sense. HB 3 would avoid burdensome taxes on capital, shifting more taxes to consumer goods, where voters can see what they're paying, he said.

The House committee "has chosen a plan that reflects good economic policy," Sullivan said in an earlier statement. "A key piece of the bill calls for future reductions in property taxes by using future surpluses. This is a great win for taxpayers and the future economic prosperity of our state."

The tax plan goes hand in hand with separate school-finance legislation, House Bill 2, which would increase teacher salaries and establish a uniform start date for public schools.

Separate versions of HB 2 have been adopted by the House and Senate; lawmakers from both chambers will meet in a conference committee to iron out differences.

Last year, a state district judge ruled the current school-financing system unconstitutional, saying that it has created a de-facto statewide property tax and that it doesn't adequately fund education. The Texas Supreme Court is expected to hear arguments in the case Wednesday.

If the Supreme Court upholds the ruling, Texas schools could face a shutdown in October.

Gov. Rick Perry has called lawmakers back into special session to address the problem after they could not agree during the regular session, which ended May 30. The special session is in its second week.

The longest filibuster on record in the Texas Senate was 22 hours by Henry B. Gonzalez, D-San Antonio, in the late 1950s.

ONLINE: Federation of Tax Administrators, www.taxadmin.org
R.A. Dyer, (512) 476-4294 rdyer@star-telegram.com