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Senator urges state income tax

By PATRICK McGEE
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A personal income tax would drastically reduce property taxes and pump more badly needed money into education.

That was the message from state Sen. Eliot Shapleigh, D-El Paso, who toured Tarrant County on Thursday.

"Doesn't every child in this great state deserve to have a good education?" Shapleigh asked a group at La Trinidad United Methodist Church in north Fort Worth.

He also took his case to the *Star-Telegram* editorial board and a class at the University of Texas at Arlington.

He said he has spoken to more than 70 groups in the state to promote a personal income tax and a property tax reduction.

Shapleigh said an income tax would reduce property taxes 90 percent because the state constitution requires that two-thirds of any income tax go into a property tax reduction.

He argued that would be a much fairer system than relying on sales and property taxes which, he said, force people with low incomes to pay more in taxes over the course of a year.

Groups such as the Texas Public Policy Foundation are opposed to a state income tax. Byron Schlomach, chief economist with the Austin-based foundation, said it would be counterproductive to tax income.

"Income taxes are a tax on productive activity — you earn income by working," he said. "That's the key to our standard of living."

He said income taxes on high earners would take from those who would otherwise invest the money in companies that would give people jobs.

But Shapleigh might be on to something over the long term, said Harvey Kronberg, a political analyst in Austin who publishes the online *Quorum Report*.

"I'd say half the Legislature acknowledges privately that this is where we are going to end up going, but they will not say so publicly," he said.

"You can't ramp up the existing tax system high enough to offset major property tax reductions without chasing business out of state," Kronberg said.

Others, however, see an income tax as unlikely.

"I don't think, politically, people are ready to embrace a personal income tax," said Bill Allaway, president of the Austin-based Texas Taxpayers and Research Association. "Senator Shapleigh has not been able to find a large enough following among colleagues to seriously have that discussion."

Shapleigh said state lawmakers won't consider an income tax because wealthy people have so much influence.

"The reasons it's off the table in Austin is the majority of campaign contributions come from those of very, very high income," he said.

"What has become the No. 1 goal in Austin? Cutting taxes to wealthy folks instead of educating kids."

Shapleigh said that most Texans are "ahead of the politicians" and favor an income tax when the benefits are explained to them.

In the meantime, the governor, lieutenant governor and speaker of the house all are against it, their representatives said.

"The governor does not support — and believes the vast majority of Texans do not support — a personal income tax," said Kathy Walt, spokeswoman for Republican Gov. Rick Perry.

She said the states that suffered some of the worst budget shortfalls in 2003 were those with income taxes.

Alexis DeLee, a spokeswoman for House Speaker Tom Craddick, R-Midland, said an income tax would require at least 100 votes from the 150 members of the House.

"It doesn't have that broad-based support it would need to pass," she said.

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