

Cut Taxes. It's the Texan thing to do

No automatic mantra or mojo these days for tax-cutting. You don't say "cut taxes" and automatically expect that from a thousand American throats will burst the cry of "Yes!" The momentum in America has passed, for the short run anyway, from Reaganite-Bushite fervor for reducing confiscation levels to powerful dislike of arguments for letting earners hold onto their earnings.

The Democratic wave of the past few years reinforces this tendency, evident earlier in the squawks from the liberal media about deficits and rich people who don't pay enough, etc., etc., ad infin.

Enough of that! What goes on in Texas? What goes on, for one thing, is more pro-tax static than you like to hear in a state that long ago gave its heart to low taxes.

What goes on is the spectacle of the people's representatives pecking around for excuses not necessarily to raise taxes in all cases but certainly not to cut them either – to prepare the way for new thinking about the value of government services and the duty of taxpayers to support those services.

Take property taxes. After we raised them substantially on so-called "rich" school districts, it took us more than a decade to start cutting them back. But when the House the other day took up the question of lowering the property tax rate below \$1, given the availability of money for greater relief from Robin Hood, the objections streamed forth. If we gave back to the property owners, the state would have less money with which to Do Good.

One of the complainants was Rep. **Garnet Coleman**. The Houston Democrat protested that "at the end of the day, if you take \$3 billion and set it aside for 2010 and 2011 tax cuts, you have \$2.5 billion left after you meet the current obligations.

William Murchison

That's \$1.25 billion a year." Coleman enumerated the spending priorities he saw – "a new prison, fix the system benefits fund, restore CHIP, cut the waiting list for CommunicCare." Not enough cash for everything.

The Coleman view doesn't enjoy anything like majority support, but it embodies an idea present even in our own governor's brain; to wit, that things like cancer research and higher education need more money.

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True, there actually aren't that many purely awful, morally irredeemable ideas afloat and looking for funds. Worthy projects arise to meet newly perceived needs. We're not running an 1876-style government any more. This is the big time. On the other hand, a built-in spending bias has effects that multiply. These we should be assessing and guarding against as Texas grows into the 21st century.

If there's to be a bias in the affairs of a successful state, it should favor low spending and low taxes, not the opposites.

New York and Massachusetts didn't become citadels of big, costly government through looking with distaste on new spending ideas; rather, both states looked with instinctive sympathy on ideas for new spending. One program led to another, and another, and another...

The virtues – yes, they *are* virtues — of low taxes lack sufficient appreciation, pos-

sibly because the media tend to see those virtues as vices; evidences of the skinflint personality, heedless of the public weal. In fact, the public weal turns out to be better served by the minimization of taxes and the maximization of personal freedom than by the well-meaning expansion of government. For instance, a recent study by the Texas Public Policy Foundation shows, using U. S. Census Bureau data, that "low tax and spending states enjoyed sizeable decreases in poverty rates during the 1990s. High tax and spending states, meanwhile suffered increases in poverty rates."

TPPF's point: "Private sector growth is the most effective anti-poverty program."

Want such growth? Keep rewards (profits) high and penalties (taxes) as low as is consistent with the provision of basic government services.

In these days of rising enthusiasm for government, we need to renew our once-vital conversation about tax cutting and its multifarious benefits. We might start – as we're discussing the Legislature – with some kind glances in the direction of Rep. **Joe Straus**' (R-San Antonio) bill to repeal the telecommunications tax..

The Telecommunications Infrastructure Fund (TIF) was created during a time of budgetary stress to fund technology for schools, libraries, universities, and hospitals. It worked. "It's simply no longer needed today," says Straus. The indicated solution: repeal it, as Straus hopes to do with HB735.

That's the talk! Repeal! Cut! Reduce! "We must always look closely at the money we collect from Texans," Straus says. "We cannot separate being good stewards of public money and good stewards of public trust."

We might say, in fact, a beneficial conversation has begun.

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