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# Justin Keener: No, it's wrong time for massive tax, fee hikes

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Texans are beginning to feel the pain of the national recession and a cooling state economy. The Federal Reserve recently updated its forecast and said Texas could lose nearly 300,000 jobs this year with an unemployment rate near 8 percent.

Perfect time for a massive tax increase? Sadly, several state legislators seem to think so.

Texas has a great story and stands as a model for other states. Through smart governance and fiscal restraint, state leaders created an environment that allowed Texas to become America's leading job creator last year.

Last fall, the Texas Public Policy Foundation commissioned internationally renowned economist Dr. Arthur Laffer to identify factors contributing to Texas' economic dominance over other states. His finding: States that pursue pro-growth economic policies – low taxes, appropriate regulations and disciplined spending – experience higher income and population growth, lower unemployment and rising housing values.

Texas' fiscal prudence has proven to be our deliverance from the financial ruin faced by states such as California and Ohio. Texas will not be firewalled from this economic crisis, but our job losses should be modest by comparison.

Despite our anemic economic condition, some believe we should make it more expensive for people to drive to work, businesses to deliver goods to market, or parents to drive to the grocery store.

Senate Bill 217, by Sen. John Carona of Dallas, would increase gas taxes statewide. From a single legislative vote this spring, the gas tax rate could rise up to 5 percent every year, based upon the rate of highway construction inflation. If Texans think they have a problem with runaway home appraisals and property taxes, they should ponder a gas tax on autopilot.

Since even with this increase North Texas residents apparently won't be paying enough taxes, Senate Bill 855 by Sen. Carona and HB 9 by Rep. Vicki Truitt of Keller could lead to further tax and fee increases for almost anyone living in or moving to the Dallas-Fort Worth area.

One provision could subject anyone moving into the region with a \$250 fee, essentially hanging out a "closed for business" sign for companies interested in relocating to the area.

Other provisions would authorize a \$60 vehicle registration fee, a \$1 hourly parking fee, a \$15 vehicle emissions fee, and a doubling of the driver's license fee from \$24 to \$48. Even worse is a Metroplex-only gas tax, up to 10 cents per gallon, which would also rise with inflation.

Advocates falsely claim these are user fees. If these were user fees, then the new rail system would be paid

for by its riders, just like a toll road relies on tolls from its drivers. Registering a vehicle and possessing a driver's license has no correlation to the amount one drives, if one drives at all.

The bill's requirement for local voter approval provides little to no consolation since these proposals conceal from voters the reality that the Legislature already diverts more than \$1 billion from highway funding to pay for non-transportation purposes, from narcotics enforcement to Medicaid programs. The new tax schemes would subject taxpayers to the same political smoke-and-mirror routine, compounded by the fact that it would reward fiscal mismanagement by sending huge sums of money to two agencies – TxDOT and DART – which each admitted billion-dollar accounting mistakes.

Many Texans' jobs already hang delicately in the balance, and a complex and colossal tax increase of this magnitude could seal their fate. Instead of a tax-first posture, our Legislature should exhaust all other options, such as ending transportation funding diversions and identifying cost savings, and relying on true user fees such as tolls and train fares, before forcing Texans – current and prospective – to dig further into their wallets.

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