

A temporary sales tax hike? Unlikely, but ...

By Peggy Fikac

pfikac@express-news.net

Published: 04:53 p.m., Sunday, January 2, 2011

AUSTIN — While some Republicans want to follow Arizona's example in cracking down on immigration, some Democrats and advocates for lower-income Texans hope it's an Arizona-style tax move that gets attention as the state takes on a massive budget shortfall.

Arizona voters last year approved a temporary sales tax increase to help fund services in the economically hard-hit state. The revenue will go for education, public safety and human services.

Texas GOP leaders say they'll close our state's budget gap without new taxes. That's expected to mean cutbacks in the current level of services in education and human services, which get the bulk of state discretionary dollars.

Some estimate the shortfall at well over \$20 billion through the next two years, taking into account money needed to maintain the same level of basic services in the face of population growth and rising health-care costs.

Even if the state spends its entire rainy-day fund — and \$9.9 billion could be available — there'd still be a big gap. Fee increases could close part of the gap, but not bridge it.

While few may bet on GOP leaders backing away from their no-new-taxes stand — or on a GOP-dominated Legislature approving new taxes — some think there's a chance when the public sees the extent of budget cuts that would mean. Some of those people are talking about a temporary sales tax increase.

Rep. Garnet Coleman, a Houston Democrat who champions those who'd be hardest-hit by state-services cuts, is among them. A 1-cent increase in the rate would yield an estimated \$2.5 billion a year. "I think it's something that needs to be considered before we gut public and higher education and essential services for the elderly, disabled and children," Coleman said last week. Although he's got concerns that sales taxes hit the poor hardest, he said a temporary hike could preserve crucial services and be a move toward compromise with conservatives who see consumption taxes as the fairest.

A temporary sales tax increase was among ideas mentioned in a recent piece by F. Scott McCown, executive director of the Center for Public Policy Priorities, and other leading staff members of the center that focuses on low- and moderate-income Texans.

"What we're thinking is really going to happen is that when the budget is filed, and people see what the cuts mean, the nature of this conversation is going to change," McCown said, who advocates a "balanced approach" in meeting the shortfall that includes using Rainy Day savings and new revenue.

Don't bet on a change on taxes, said Republican former House Appropriations Committee Chairman Talmadge Heflin: "I think the leadership is serious when they say no tax increases."

Political consultant Mark Sanders said a sales-tax increase "is just completely unacceptable to Republicans, especially these new Republicans who just got elected promising they were going to go to Austin and cut the budget. A sales tax, while its one of the most efficient taxes, is also one of the most visible taxes. People will feel it in their pocketbook every time they leave the mall."

<

It's tilde-gate, continued. My headline on a recent column said an angry Democratic blogger had stripped Rep. Aaron Peña of his tilde (rendering him Pena) after he switched to the GOP. Mean Rachel, the blogger in question, noted that the state GOP initially dropped the tilde in a release welcoming Peña. For the record, her tilde-dropping was done in mockery of the GOP. The GOP, meanwhile, has restored the tilde. Party spokesman Chris Elam said he originally omitted it because it doesn't always translate properly in e-mail. "Since it's become a big deal, I said, the heck with it — I'm putting a tilde on everything now," Elam said.

<

It's never too early to think about the 2012 election, especially when you've been running for a couple of years already. Former Secretary of State Roger Williams made the rounds over the holidays to talk about "the longest campaign ever" — for the seat that U.S. Sen. Kay Bailey Hutchison decided not to vacate early after all. The car dealer touts himself as "the business candidate" and said he's in the race to stay even if Hutchison seeks another term.



Refinance Rates at 2.8%

\$160,000 Mortgage: \$434/mo. No Hidden Fees. No SSN Req.
LendGo.com/Mortgage

Mortgage Rates Hit 2.99%

If you owe less than \$729k you probably qualify for govt
www.SeeRefinanceRates.com

ETFs easier than Forex

Make 5.7% per mo. Proven System
No Hype Only 10 Min a
ETFmentor.com

Ads by Yahoo!

MYSA

Life
Home Events Calendar
News Multimedia
Blogs National/International
Business Obituaries
Sports Politics
Columnists Travel
Editorials Traffic
Education Weather
Entertainment Food
Forums Spurs

TOPICS

Community
Health
Living Green SA
Military
Outdoors
Visitors' Guide
SA Paws
SA Cultura
Do Good

MARKETPLACE

Autos
Classifieds
Jobs
Real Estate
Shopping
Business Directory
Fan Shop

COMMUNITY SUBMITTED

Calendar
Photos

OTHER EDITIONS
e-Edition
Mobile
Facebook
Follow us on Twitter

ABOUT US

About Us
Contact Us
Advertise online
Advertise in print
Newspaper Delivery
Place a classified ad
EN Subscription Services
Buy Photos
Archives
Privacy Policy

[Terms and Conditions](#)

© 2011 Hearst Communications Inc.

HEARST *newspapers*