

## Your Legislative Update: Week of April 15th

### TEXAS MAY JOIN CALIFORNIA AS THE TWO STATES WITH THE HIGHEST SALES TAX

As County Judge Whitley is fond of reminding us, we Texans sit on a two-legged tax stool: sales tax and property tax. (Yes, we have some other taxes and fees, but they are small potatoes when it comes to the revenue they generate.) People clamoring for a reduction in property tax are getting the attention of the legislature. Members of the legislature might actually try to get something done to reduce, not just slow the growth of property tax.

Assume that we aren't going to quit spending as much as we do. Assume that our economy, while robust, is not going to grow at a much faster pace. Assume we are never going to have a state income tax. The only way to really cut property tax is to raise the sales tax. Chairman Dan Huberty is looking at doing just that. His bill HJR3 would put a constitutional amendment on the ballot to raise the state sales tax. Wednesday April 10<sup>th</sup>, the Governor, Lt. Governor and Speaker of the House endorsed the plan.

The discussion is around a 1% increase which would make sales tax in most of the state 9.25%. Texas would be tied with California for the highest sales tax of any state. (In Grapevine it would be 9.25%.) To go to the voters for approval would first require the approval of 100 of the 150 House members and 21 of the 31 Senators. In both cases, some Democrats will have to vote with the Republican majorities.

Democrats aren't likely to go along. Since sale tax affects lower income folks most, Democrats are generally opposed to raising it. To get them on board, some of the money raised by the increased sales tax might have to be diverted from property tax relief to other more Democratic priorities. Nothing is made easier by politics. This is far from becoming law, just be aware a serious discussion is taking place.

Ross Ramsey wrote on taxes in Texas. Read his column [HERE](#).

### CHAMBER COALITION MADE THEIR VOICES HEARD

The House of Representatives was working this week to reauthorize Chapter 312 to allow cities and counties to do property tax abatements to attract new businesses. Knowing that our elected officials want to hear from individuals, not organizations, we asked our members to send emails in support of Chapter 312. Our results: 202 emails were sent to house members asking them to support our position.

That number is probably 20 times the average number of emails we got members to send on issues last session. It is still pretty small considering we asked 5600 people to participate. We started using "One Click Politics", a fast and easy way for members to send emails to their elected officials. It actually takes about 4 clicks. You have to type in your home address, name and personal email the first time you use it.

You will see emails from [bill@easttarrantchambers.com](mailto:bill@easttarrantchambers.com) several more times before the legislative session is over. In each case action will be needed that day. The bill being debated on the floor will have already been scheduled and once the vote is over it is too late. If time allows, those who do not open the email the first day may get a reminder the second day. Every email will have the option for you to "opt out" but we hope you will lend your voice to ours instead.

The 202 folks who emailed certainly were heard. What would happen if 2000 people took two minutes to join their voices with their Chambers?

Thank you,

From our partnership with the North East Tarrant Chambers