

Save Our Schools!

If every Texan paid the same percentage of their income in state and local taxes as the poor, then Texas would have a budget surplus, NOT a deficit!

A report on Texas by **The Institute on Taxation and Economic Policy**, <http://www.itepnet.org>, demonstrates in detail that 20% of Texans with the lowest incomes pay 12.2% of their income in state and local taxes while the wealthiest 1% only pay 3%. That wealthiest 1% of families is composed of 100,000 Texan families with average incomes of almost \$2 million a year.

If the wealthiest 5% of Texans were to pay from 1% to 5% more of income in a state income tax, then Texas will have an additional \$24 BILLION DOLLARS over the next two years in the Texas budget. That will almost eliminate the budget deficit! Children will NOT need to suffer due to cuts now planned. Current progress in Texas schools will continue!

If the paying of 12.2% of income in state and local taxes by the poorest 20% of families in Texas is acceptable, why is an 8% tax rate too high for the wealthy? If this flattening of the effective tax rate is done with a state income tax, those paying it would also be able to deduct it on their federal tax forms as a federal deduction offset. The federal government would pay part of the cost, lowering the effective tax rate below 8%.

Without such a change, the 4,900,000 children in the public schools of Texas will suffer. They will suffer due to a multitude of state services for children that are being cut, including school cuts leading to a lower quality of education in more crowded classrooms. **This will affect their entire lives, and certainly the future of Texas.**

With one amendment, to direct 100% of the income generated to go to the deficit, **Texas HB 354** would balance the Texas budget. It requires an income tax be established for annual income in excess of \$150,000. The proposed formula is a 3% tax on income from \$150,000 to \$250,000, 4% on income from \$250,000 to \$500,000, 5% on income over \$500,000 to \$1,000,000, and 6% on income over \$1,000,000. The average \$2,000,000 annual income family would pay \$98,000 in additional taxes. This \$98,000 would save one teacher's job, help about 49 children have a better education (4,900,000 students in Texas divided by 100,000 families), and provide additional funds to avoid other cuts for the poor and elderly. **The 100,000 families alone would save 100,000 teachers!** The pain caused by the cuts now spreading throughout Texas will make the passage of this equalization of taxation virtually certain in the statewide election required in November of this year before **HB 354** can pass into law.

Please call Gov. Perry (800-252-9600), Lt. Gov. David Dewhurst (512-463-0001), and Speaker of the House Joe Straus (512-463-1000) to support **HB 354**. Then call your own legislators, and the **House Ways and Means Committee** members where **HB 354** is assigned. Go to www.TexasFlatTax.com for these links & more details.

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www.studentmotivation.org