



## POLICY ALERT

Center for Public Policy Priorities

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May 16, 2007

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### CALL TO ACTION: DON'T INCREASE LOCAL SALES TAXES

SB 407 by Eltife would permit cities and counties to levy an additional 1/4% sales tax each to offset property taxes. These sales taxes could be in addition to the state sales tax of 6 1/4% and the current maximum local tax of 2%, which is used by cities, counties, and special districts (transit authorities and special purpose districts, such as hospital districts).

A new maximum tax rate of 8 3/4% would be the 13th highest state-local combined rate in the nation.

The sales tax is a regressive tax that places a much greater burden on lower- and middle-income families than on upper-income families. Increasing the sales tax to reduce property taxes would increase taxes on 80% of families while lowering taxes for only those families with incomes over \$110,000.

SB 407 was voted out of the Local Government Ways and Means Committee in a formal meeting (without the opportunity for public testimony) on May 14. We expect it to be considered on the House floor soon. (The House must act on Senate bills by May 22.)

**Call or e-mail your representative RIGHT NOW and tell them that Texas relies too heavily on regressive sales taxes and to VOTE NO ON SB 407.** Find your representative at <http://www.fyi.legis.state.tx.us/>.

For more on who pays Texas taxes, see: <http://www.cppp.org/research.php?aid=638&cid=7>.

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