



What's Wrong With Increasing the Sales Tax?

Texas needs money for schools, and property owners want a tax cut. Some members of the Texas House of Representatives think that it would be all right to add another cent or two to the Texas sales tax in a package designed to meet both of the above “needs.”

They say “the more you have, the more you spend, and the more sales tax you pay. So that’s fair.” But, the more resources you have, the easier it is to avoid the tax by shopping across the state borders, where taxes are lower, or by shopping on the internet, where some purchases are not taxed at all. Likewise, the more income you have, the less likely you are to spend it all on taxable goods. What you add to your savings account is not taxed, nor are architect’s fees and other services used mainly by the very well-to-do.

It is true that groceries are not taxed, nor rent, which gives some “break” at the bottom of the income ladder. But there are very few sales-tax breaks for the many, many Texans in the middle, who tend to spend the vast majority of their incomes on clothing and cars and gasoline and lunches eaten around the corner from work – all taxable expenses.

Won't a cut in property taxes make up for the extra sales tax?

Not for most people. Not if they own only one house. The winners would be the refineries, utilities, and owners of large apartment complexes. Texas already has a very high sales tax. Let's not make it worse!

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