Gov. Rick Perry's Remarks To The Tax Rally

*Note - Gov. Perry frequently departs from prepared remarks.

Thursday, April 15, 2004

Thank you. Over-taxed Texans can know that they have some great allies and advocates fighting for them, legislators like Mike Krusee, Elizabeth Ames Jones, and Dwayne Bohac, and Harris County Tax Assessor-Collector Paul Bettencourt. I am darn proud to consider them partners in the effort for limited government and lower property taxes. It is good to look across this audience and see men and women who pay the taxes that fund our schools, defend our shores, and run our government, and that includes the busloads of folks who came here from Houston today thanks to Dan Patrick and Ed Hendee. Welcome back to your State Capitol.

Government would be wise to remember that taxpayers are more than a source of tax dollars, you are the bedrock source of values and virtues upon which this state prospers. You teach our children to do what's right even when it's not popular, and you show them that through hard work, determination, and sheer belief, nothing can stand between them and their dreams.

For millions of Americans, this is not a day to dream about, but to dread. As Texans head to the post office today, their care package is not intended for a loved one, but the IRS. I believe they ought to combine the words “the IRS” into one word, because what is yours inevitably becomes “theirs”. As governor, I have little power to address what Texans pay in terms of the federal income tax. But on this tax day, I can assure Texans that as long as I am their governor, they will not pay a personal income tax to the State of Texas. And just as importantly, I want Texans to know that there is another tax we will address this year, a tax that prices people out of the American Dream of home ownership, a tax that grows even when rates stay the same: a
tax that I intend to cut, cap and control: the property tax.

Republicans, Democrats, and Independents alike want real property tax relief, and they want it now. And they don’t want a temporary rate cut, they want a tax cut that will stand the test of time, not one that gets eaten up by soaring appraisals. I have called a special session to start on April 20th to protect the only two special interest groups that matter to me: the school children of Texas, and the taxpayers that fund our schools.

My plan is a permanent fix to the school finance challenge. It will not only lower residential property taxes by an average of 17 percent, it will give Texans appraisal relief. The days of funding government with “taxation by valuation” must come to an end. That is why I want to cap appraisal growth at 3 percent! And if local governments want more property tax dollars than what is needed to keep up with inflation and population growth, then they should have to ask the people for a vote, not just slip the local appraiser a note. The folks who spend the money are entitled to a voice, the folks who pay the bills should have the final say. My plan allows taxpayers to finally control their taxing destiny. Local leaders should not fear the verdict of voters. After all, if they are smart enough to elect them to office, then they are smart enough to decide on the wisdom of higher tax levies.

Under my plan, the homeowner of an averaged priced home will receive an initial property tax cut of $418, which by 2010 will end up saving them $2,500. In addition, with a property tax revenue cap that restrains the growth in Texans’ property tax bills, we will save that same homeowner more than $2,600 off their anticipated property tax bill between 2005 and 2010. Think about what you and your family could do with an extra $5,000, or roughly $800 a year. That money can better meet your needs if it is spent by you, not government.

Not only should we lower property taxes for residential taxpayers, but we must provide relief for the folks who create the jobs too. My plan is a property tax cut for the vast majority of employers. And in years when the economy outpaces state spending, I want to constitutionally protect property taxpayers with a requirement that two-thirds of surplus dollars be used to further reduce property taxes and increase funding for education.

Let’s allow the people to decide, let’s give them a chance to vote on a constitutional amendment that would require the Legislature to meet the goal of cutting school property taxes in half. My plan not only reduces property taxes in a significant way, it provides an average increase of $375 for every child we educate in public schools. And it does it in a way that ensures we will get more education for our money, not just more money for education. With results-based incentives, schools will achieve their way to extra dollars.

And don’t buy into the false argument that this will create a disadvantage for poor schools. My plan doubles the incentives when every child deemed “at risk” succeeds. In fact, based on last year’s data, students in the most property-poor school districts would benefit even more than students in the property-wealthiest districts.

Texans are going to hear a lot about what my plan doesn’t do, because few want to argue with what it actually accomplishes. So let’s give them the facts: It makes education funding more equitable than the current system today, not less. It provides $2.5 billion more money for education, including $1 billion in results-based incentives. It puts the brakes on skyrocketing appraisal values. It cuts, caps and controls property taxes so Texans feel real tax relief instead of a tax cut charade. And it ends the era of Robin Hood.

My plan does all this while preserving the job climate because it contains no major tax hike. Let’s draw the line in the sand this Tax Day for the taxpayers and children of this state. In the spirit of Texas heroes of the past, it’s time to stand our ground and fight for what matters, opportunity for our children, and prosperity for our people.

Thank you, God bless you, and God bless Texas.