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**CPPP STATEMENT ON GOVERNOR'S PROPOSAL
FOR ADDITIONAL PROPERTY TAX CUTS**

Today, Governor Perry proposed crippling our state's ability to build the infrastructure we need by taking another \$2.5 billion to pay for an additional school property tax cut. This tax cut would be on top of the tax cut provided in last year's special session. In fact, a bill to increase property tax cuts, HB 2785 by Rep. Paxton, is currently in the House Calendars Committee awaiting a floor date.

The proposed budget already commits \$14.2 billion to pay for that tax cut in the coming biennium. The Governor notes, however, that the proposed budget leaves about \$8 billion unspent and suggests that it was reasonable to spend about a third of that on more tax cuts.

In fact, additional tax cuts would be irresponsible. The \$8 billion unspent is money that we will need to continue to fund the special session tax cuts when the state writes the next budget in 2009. Indeed, the new taxes from last year's special session – the new margins tax, tobacco taxes, and other taxes – cover less than half of the cost of the tax cuts from the special session.

Already we are diverting funds from our historically inadequate general revenue stream to pay for the special session tax cut. To cut local property taxes even more would mean diverting even more from our general revenue stream.

Texas is a low-tax state struggling to meet the needs of its residents. We cannot cut taxes further without damaging our state's basic infrastructure.