



AMERICANS
for TAX REFORM

April 9, 2019

To: Members of the Texas House Ways & Means Committee
From: Americans for Tax Reform

Re: HJR 3

Dear Representative,

I write to urge that you reject HJR 3, a proposal seeking to raise the states sales tax and only partially offset that tax hike with property tax relief. Such a tax swap would result in a harmful net tax hike at a time when the state already has a budget surplus. At a time when states around the country are taking action to make their tax codes less burdensome and more conducive to growth, raising state taxes will hinder Texas's ability to compete for jobs and investment.

This and other proposals to raise state taxes would diminish and, in some cases, could totally erase the relief that your constituents recently received from federal tax and regulatory reform. Raising taxes is bad enough, but now is a particularly disadvantageous time to make the state tax code more burdensome and less attractive.

It's no coincidence that the U.S. has reclaimed the number one spot on the World Economic Forum's Global Competitiveness Index following enactment of federal tax reform that significantly cut federal income tax rates, both personal and corporate. It's clear that many investors, CEOs, and site selectors are bullish on the U.S. relative to other potential destinations for their capital.

Yet once business owners or investors make the decision to bring new capital or create jobs in the U.S., either by relocating or expanding operations stateside, they then have 50 choices before them when it comes to which state to choose. That's why it is more important than ever for state legislators in Texas to do everything they can to make the Lone Star State a more attractive place to invest, do business, live, and raise a family. **The proposed sales tax hike would take the state in the wrong and opposite direction by imposing an overall increase in the state tax burden.**

As such, **I urge you to reject this misguided tax hike.** Americans for Tax Reform will be educating your constituents, who are counting on your to protect their pocket book, as to how you and your colleagues vote on this and other important issues. I wish you the best of luck and I thank you for your public service. If you have any questions or if ATR can be of assistance, feel free to contact me or Patrick Gleason, ATR's vice president of state affairs, at pgleason@atr.org or 202-785-0266.

Sincerely,

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