The Freedom to Own Property:
Reforming Texas’ Local Property Tax

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Executive Summary ................................................................. 3
Property Tax Problems in the Lone Star State ................. 4
Assessing the Impact ............................................................... 5
Moving Ahead with Property Tax Reform ....................... 6
Short-term Property Tax Relief Through Structural Reform .................................................. 6
Long-term Solution: Abolish Property Taxes .............. 8
Reaping the Rewards ............................................................... 10
Conclusion .............................................................................. 11
Notes ..................................................................................... 11
The Freedom to Own Property: Reforming Texas’ Local Property Tax
by Kathleen Hunker, James Quintero, and Vance Ginn, Ph.D.

Executive Summary

The Texas property tax system’s complexity and fast growth has outpaced Texans’ ability to pay. Property owners have seen their taxes swell, on average, from 7.6 percent of their median income in 2000 to 9.8 percent in 2013 with little evidence of leveling off. This has put pressure on Texas homeowners, especially the housing-rich-but-income-poor, who have witnessed a spike in the value of their property but not a corresponding increase in their income.

Problems with Texas’ property tax system are not limited to the dollar amount, however. The system also offers little opportunity for public oversight. More than 4,000 localities levy property taxes, obscuring from taxpayers exactly who is responsible for raising them, how that money is spent, and whether any increase was necessary. Homeowners are obliged to invest a substantial amount of resources should they wish to understand who has a claim on their money. Local taxing units therefore do not often confront strong political pressure to exercise discretion when weighing tax increases. The result is a gradual but unceasing rise in property taxes.

In light of this critical flaw, among others, it is time for the Texas Legislature to consider not just reducing Texans’ property tax burden, but eventually ending this burden by replacing property taxes with a consumption-based model, also known as a reformed sales tax. Improving the appraisal process could provide Texans some respite; the same is true with strengthening the rollback provision. Any savings from these strategies, however, would be quickly eroded by increases elsewhere in the system since the structural flaws of the property tax—i.e. its complexity and opacity—would not have been corrected. The only way to attain long-lasting relief is to neutralize those characteristics that insulate local taxing entities from public pressure and thereby the political repercussions of raising taxes.

The collection of public revenue is an important task, essential for the execution of the most basic public services. Nevertheless, it is incumbent on good government to undertake that charge in a way that is least painful for taxpayers. A reformed sales tax would correct the flaws in the current system that burden taxpayers unnecessarily. It would make tax increases easier to identify, give taxpayers greater control over their tax exposure, and finally allow property owners an opportunity to own their property instead of paying rent forever to the government. Overall, it would represent a more transparent, more efficient method of generating public revenue that better reflects Texans’ ability to pay and matches the growth of government with constituents’ needs.

Did You Know?

Texas’ local property tax burden ranks as one of the worst in the nation. According to the Tax Foundation’s latest survey of all states, in 2012 Texas governments collected $1,559 in property tax revenue from every man, woman and child in the Lone Star state. That ranks as the 14th higher per capita property tax burden in the U.S.

Source: Tax Foundation, State and Local Property Tax Collections Per Capita by State, 2006-2010
Property Tax Problems in the Lone Star State

Texas’ oppressive property tax system, which ranks near the nation’s worst for taxpayers, represents one of the state’s most pressing public policy challenges.

According to the Texas Comptroller, the property tax remains the single largest tax assessed in the Lone Star State. Chart 1 shows that in fiscal year (FY) 2013 statewide property tax collections totaled more than $45 billion, accounting for almost half of all state and local tax revenues. The next largest revenue sources, the state and local sales taxes, collected just $33 billion that same year.¹

Chart 1: Texas Tax Revenue by Source, FY 2013

The sheer size of the property tax, however, is but one side of a multi-dimensional millstone. Property taxes have also become progressively more complex and have grown at rates faster than Texans can afford.

More than 4,000 localities impose property taxes in Texas, including school districts, counties, cities, and other taxing entities. Chart 2 provides a breakdown of property tax revenue for these different levels of local government. The Texas Comptroller noted that the heaviest burden came from the state’s 1,024 school districts, which were responsible for 54.9 percent of total property taxes levied in FY 2013.²

Chart 2: Property Tax Revenue by Type of Local Government, 2012 and 2013

Importantly, this decentralized administration of the property tax has the consequence of making it difficult to, first, ascribe responsibility for the high rates and, second, pressure taxing entities to roll back unnecessary levies. Economic research posits that property taxes, in their most basic form, are more salient than either the sales tax or the income tax.³ Salience in this case means that the tax burden is transparent, easy to understand, and hard to avoid. However, as was just described, the current setup of Texas’ property tax system has evolved into a multi-layered thicket. The high rates are not the product of a single public entity’s decisions but rather are an aggregate of Texas’ local governments. Citizens must therefore invest significant effort to recreate the chain of responsibility and learn not only to which entity their money is going, but also how that money is spent.

The saliency of the property tax is also not helped by the method that many Texans use to pay off their annual obligation. About one-third of homeowners bundle their property tax payments in an escrow account that is paid along with their monthly mortgage. Although convenient in that it ensures that their taxes are paid on time, escrow accounts slip yet another screen between homeowners and their property tax bill. Escrow accounts often contain more than just property tax payments, and the blended invoices can obscure information as to exactly which item is increasing in cost.

Once the property tax’s deficiencies are taken into account, the sales tax darts ahead in terms of relative saliency and efficiency.
Assessing the Impact

Texas’ local property tax is a big and fast-growing burden for taxpayers. In dollar terms, local taxing jurisdictions imposed more than $45 billion in property taxes in FY 2013, representing an increase of $2.5 billion, or 5.9 percent, from FY 2012 to FY 2013. The largest numerical and percentage change increase occurred among school district levies at $1.8 billion and 7.7 percent, respectively.

Property taxes represent a growing share of Texans’ household income. The U.S. Census Bureau notes that the 2011 to 2013 average annual tax paid by an owner-occupied dwelling in Texas was $2,493, and that households forfeited 7.6 percent of their median income to meet their property tax burden in 2000, increasing to 9.8 percent in 2013. The rising burden from property taxes is worse for housing-rich-but-income-poor elderly homeowners as they tend to move more often to reduce their property tax burden, which is an additional cost of owning a home for those who can least afford to move. Available homestead exemptions can ease that burden for select homeowners, but they rarely discharge tax obligations in their entirety.

Chart 3 presents data showing how local property taxes levied across the state increased by 101.1 percent from fiscal years 2000 to 2013. Compounded population growth plus consumer price inflation—a commonly used metric that accounts for the rising cost of funding basic public goods and services along with economies of scale—increased by only 70.3 percent during the same period.

Indeed, Texas’ property tax burden is not only substantial, but it is also outpacing reasonable economic measures like population and inflation.

Chart 3 presents data showing how local property taxes levied across the state increased by 101.1 percent from fiscal years 2000 to 2013. Compounded population growth plus consumer price inflation—a commonly used metric that accounts for the rising cost of funding basic public goods and services along with economies of scale—increased by only 70.3 percent during the same period. State sales tax revenue, supported by Texans’ discretionary purchases, rose by 86.2 percent during this period. The accelerated trajectory of property tax revenues above these measures suggests that spending among these local taxing jurisdictions is outstripping Texas’ ability to support them and that there may be a better way to efficiently fund government functions.

Property Taxes Matter

The surge in local property taxes can have a damaging effect on the fiscal health and security of Texas property owners. Basic economics tells us that raising the price of property, in this case through property taxes, reduces the quantity consumed. Real estate buying and leasing makes up about one-tenth of the state’s private economy since 2000, according to the U.S. Bureau of Economic Analysis, so there is a lot at stake. Basic economics also explains how if someone spends money on property, then he or she has less money to spend on other priorities. Applying that principle here, high and fast-growing real estate taxes mean that Texas property owners, as well as renters—since higher property taxes are passed onto renters—are forced to consign more of their wealth to the government, reducing the amount of property purchased and the amount of funds available for saving or consumption.

Additionally, the ability to navigate through unexpected mishaps depends heavily on how thick a cushion an individual has between themselves and oncoming hardship—one reason why a healthy savings account is seen as a prudent investment. A heavy tax burden monopolizes a greater portion of disposable income for property owners.
and renters, leaving them with fewer resources for other purchases and investments. Thus, higher property taxes not only render it more difficult for Texans to pay their taxes, but they also make it harder for Texans to prepare for financial hardships.

Of course, defaulting on property taxes has its own costs. Once a property owner falls behind, he or she is exposed to the costs of the delinquency process, including the possibility of losing the home to foreclosure. According to the Texas Property Code, property taxes become delinquent on February 1, at which point their balance begins to accrue a series of penalties and interest to compensate the taxing district for the lost revenue and to discourage nonpayment. These penalties are progressive and slowly ratchet up each month left unsettled. In addition, taxing units often rely on private law firms to pursue taxes that remain delinquent past July 1, which can attach another layer of fees. All told, a tax bill can swell by nearly 50 percent if left in arrears a full year, quickly sinking any prospect a property owner had of getting out of debt.

Worst of all, if left unresolved, the government will eventually take the land as payment for back taxes, and the property owner will lose the home or business.

**Moving Ahead with Property Tax Reform**

As the 19th century American economist Henry George observed: “The mode of taxation is, in fact, quite as important as the amount.”

Property taxes pose an inherent disconnect between the amount levied and a property owner’s ability to pay, which exacerbates the pressure a high tax burden brings to bear on a household budget. This disconnect occurs because property taxes are affixed to an illiquid asset, which by definition cannot be easily converted into cash even when the property experiences a substantial increase in value. Thus, although property taxes are analogous to an income tax—the value of the land and its improvements being a proxy for the income landownership implicitly provides—property owners cannot actually use the taxed asset to pay off their tax obligation unless they are willing to tap into the property itself, a proposal which seems reasonable until one remembers how keenly and tightly people bind themselves to their land.

What’s more, Texans have limited control over their exposure to the property tax. In part, this is because Texans cannot remove themselves entirely from the real estate market and therefore the tax’s reach. Housing, after all, is a fixed necessity, and the tax’s added costs filter down into other forms of accommodation, namely rental units. However, it is also because the burden of someone’s tax bill exists independent of his or her actions. Property taxes are based on the land’s value, but as anyone living in a gentrified and/or growing community will attest, that value can spike even though the owner has taken no action and made no improvements. The increase instead reflects external changes, which are subjectively determined by an appraisal review board, not a change in the owner’s financial position. In such instances, property taxes can quickly outstrip the owner’s ability to pay, leaving few recourses outside of selling the property, falling into delinquency or, if lucky, relying on other family assets. Put another way, property taxes can price out land that has been in a family for decades, maybe even generations—all because of conditions outside of the property owners’ influence.

It is the makeup of Texas’ tax system, not just its burden, which pushes property owners toward delinquency.

With this in mind, the Foundation recommends implementing structural reforms to provide short-term property tax relief with the ultimate goal of eliminating property taxes and replacing them with a broad-based consumption tax. The collection of public revenue, the plurality of which is from property taxes, will continue to distress Texans unnecessarily unless taxes are reconnected to a person’s ability to pay.

**Short-Term Property Tax Relief through Structural Reform**

One possibility of reducing the property tax burden is to raise the homestead exemption, however, this is only a temporary reprieve as appraisal values and property tax rates inevitably creep up, erasing any relief. Recent history shows that a better short-term solution is to reform the appraisal process and strengthen the rollback provision.

The Texas Legislature attempted to address the rising burden of property taxes in 2006 after the Texas Supreme Court held that financing public schools with what was essentially a statewide property tax was unconstitutional. Unfortunately, this relief was erased within two years. Those reforms did not provide meaningful, long-lasting property tax relief. Meanwhile, homeowners and businesses have helplessly watched as their property tax liability has grown larger due to higher tax rates and appraisal values.
During the 2015 Legislative Session, lawmakers proposed to reduce the property tax burden by taking a different approach than the 2006 tax relief plan. Instead of buying down property tax rates, the 84th Texas Legislature proposed to increase the homestead exemption for school districts from $15,000 to 25 percent of Texas’ median home value. This could have at least doubled the homestead exemption according to the Legislative Budget Board (LBB). The relief, however, may prove short-lived.

By only increasing the homestead exemption for school districts, this leaves open the opportunity for local jurisdictions to raise their tax rates. Additionally, appraisals are likely to rise at different rates relative to changes in the statewide median home value. Though not mandated, the Legislature would likely hold harmless school districts by compensating them for any loss in property tax revenues the increased homestead exemption would cause, increasing the burden of state spending on all Texans.

The LBB presented the following hypothetical example (Chart 4) to the Texas House Ways and Means Committee, showing the effect of doubling the homestead exemption to $30,000 on school district property taxes for a home value of $184,000 in Austin. In this example, any property tax relief would be eroded after one year with only a 4.4 percent appraisal increase.

However, this example assumes an increase in only the home's appraised value and that all other variables included in one's property tax bill will remain constant—a highly unlikely scenario. In reality, both appraised values and property tax rates can go up, leading to large increases in a homeowner's tax bill.

Chart 5 takes into consideration the overall property tax liability of homes with the LBB's $184,000 home as the baseline compared with what could happen to four other home values under the following scenarios:

- Scenario (a): Increase in ONLY the school district tax rate of 9.730 percent that erases any tax change under the baseline;
- Scenario (b): Increase in ONLY the appraised home value of 4.402 percent that erases any tax change under the baseline; and
- Scenario (c): Increase in BOTH the school district tax rate of 9.730 percent and the appraised home value of 4.402 percent.

Local property tax levies across the state grew at an average of about 10 percent per year compared with only a 6 percent per year increase in population growth plus inflation from 1992 to 2010, according to the Texas Comptroller of Public Accounts. Given this outsized pace in property tax increases, the scenarios shown in Chart 5 could happen very quickly, eroding any cuts leaving another disappointing 2006-style property tax relief package. While raising the homestead exemption would

![Chart 4: LBB Example Showing a 4.4% Increase in $184,000 Home Appraisal Would Erase Property Tax Cuts from Doubling the Homestead Exemption](chart4.png)

<table>
<thead>
<tr>
<th>Taxing Jurisdiction</th>
<th>Last Tax Year with $15K School Homestead Exemption</th>
<th>First Tax Year with $30K School Homestead Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tax Rate</td>
<td>Appraised Value</td>
</tr>
<tr>
<td>Austin ISD</td>
<td>1.222</td>
<td>184,000</td>
</tr>
<tr>
<td>City of Austin</td>
<td>0.4809</td>
<td>184,000</td>
</tr>
<tr>
<td>Travis County</td>
<td>0.4563</td>
<td>147,200</td>
</tr>
<tr>
<td>Travis Health Care</td>
<td>0.1264</td>
<td>147,200</td>
</tr>
<tr>
<td>ACC</td>
<td>0.0942</td>
<td>179,000</td>
</tr>
<tr>
<td><strong>TOTAL TAX</strong></td>
<td></td>
<td><strong>$3,976</strong></td>
</tr>
</tbody>
</table>

Source: Legislative Budget Board
reduce property taxes for homeowners relative to what it otherwise would be in the short run, it is not a sufficient tool to provide meaningful and lasting property tax relief.

This proposition may soon be evidenced by the passage of a bill to increase the homestead exemption for school districts by $10,000 that will be on the November 2015 ballot for voters to decide. The 84th Texas Legislature passed this measure in addition to a 60 percent supermajority requirement for a local governing body to raise a property tax rate above the effective rate, which would generate the same amount of taxes as the previous year given changes in property values. Although these measures will provide some relief, they don’t go far enough.

Lawmakers should consider putting in place protective measures that would reform the appraisal review process so that government appraisers’ values track market values while strengthening the rollback provision by requiring local voter approval for raising property tax rates that result in local property tax revenue growth that exceeds four percent or population growth plus inflation, whichever is less. These measures would put more controls in place for unsustainable property taxes so that Texans can have some relief. Unfortunately, these are also short-term solutions to a vexing problem that is the property tax. It is time to end the practice of renting in perpetuity from the government by eliminating property taxes.

Long-term Solution: Abolish Property Taxes
Switching to a consumption tax, or in this case to a reformed sales tax, would solve many of the shortcomings within Texas’ property tax system and give Texans discretion over how they pay their taxes, providing more opportunity for individual liberty and economic prosperity.

A consumption tax provides increased liberty for individuals compared with a property tax. The former is based on discretionary income and spending decisions and the latter is based on a subjective valuation of property with little connection to taxpayers’ ability to pay. Therefore, a sales tax allows individuals a chance to save or consume additional dollars that may boost economic activity. Since most Texans spend a large portion of their income, sales tax revenues are associated with changes in personal income that better match their ability to support their tax burden than property taxes. A consumption tax also effectively eliminates the danger of Texans being literally taxed out of their homes and businesses since the tax is primarily paid out of discretionary income rather than a static asset with a value that is often independent of both the taxpayer’s control and his or her ability to pay.

A reformed sales tax would include a tax on the purchase of property. Instead of paying a rising property tax amount each year, the buyer would pay the sales tax based on the purchase price at closing and could lump that amount into their escrow and pay out over the life of the mortgage. If the reformed sales tax rate was 11 percent, most Texas property owners would come out ahead of the current tax system in just a few years. Other options would be to pay the sales tax amount in cash and never pay taxes on the property again, or to get a second note for the sales tax amount. This would allow many homeowners the opportunity to own their home tax-free compared with a property tax system that typically ratchets up every year based on the subjective valuation of a local appraiser, and the local government jurisdiction setting the tax rate.

This would be beneficial for Texans as they have more discretionary income to save or consume, particularly

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Chart 5: Any Local Property Tax Relief is Likely to Be Erased after One Year

*Hypothetical Example in Austin, Texas*

<table>
<thead>
<tr>
<th>Multiple Home Values</th>
<th>Current Appraised Value</th>
<th>Tax Change Scenario (a)</th>
<th>Tax Change Scenario (b)</th>
<th>Tax Change Scenario (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Home Value</strong></td>
<td>$90,000</td>
<td>-$112</td>
<td>-$94</td>
<td>-$18</td>
</tr>
<tr>
<td><strong>TX Median Home Value</strong></td>
<td>$140,000</td>
<td>-$53</td>
<td>-$44</td>
<td>$94</td>
</tr>
<tr>
<td><strong>Baseline</strong></td>
<td>$184,000</td>
<td>$0</td>
<td>$0</td>
<td>$193</td>
</tr>
<tr>
<td><strong>ATX Median List Price</strong></td>
<td>$350,000</td>
<td>$197</td>
<td>$165</td>
<td>$564</td>
</tr>
<tr>
<td><strong>High Home Value</strong></td>
<td>$500,000</td>
<td>$376</td>
<td>$315</td>
<td>$900</td>
</tr>
</tbody>
</table>

Notes: *Texas median home value and Austin, Texas, median list price are from Zillow.com in May 2015.*
those on fixed income and the working poor. Capital accumulation is an essential part of generating more wealth, as noted by Adam Smith in The Wealth of Nations. With Texans having the opportunity to actually own their property without essentially renting from the government forever, this would be a boost to the long-term growth of the economy. There is no doubt that this could affect the real estate market, which the Bureau of Economic Analysis shows real estate and rental and leasing was almost 11 percent of the private economy. While theoretically a higher sales tax rate on property might slow the velocity of homes sold, thereby reducing economic output statewide, this misses the gains from freeing up resources from the elimination of the property tax that can go towards purchasing real estate or other items. Further, the reduction in taxes on property should lead to an increase in capital investment overall, such as homes, apartments, factories, tooling, machinery, and office buildings.

Notably, this is what the Foundation's 2012 study—Enhancing Economic Growth through Tax Reform prepared by Arduin, Laffer, and Moore Econometrics—shows from eliminating property taxes and implementing a revenue-neutral reformed sales tax with a broader base and a higher rate. A consumption tax represents a cleaner and more accurate reflection of the state's economy than the property tax, and it allows for a more even distribution of the tax burden. Accordingly, the Legislature can replace lost revenue without overly burdening any individual taxpayer and with a much smaller change in the sales tax rate than one might otherwise expect.

As a demonstration of this, Chart 6 was taken from the Foundation's August 2012 study. It offers several examples of how the Legislature could expand the tax base, defined as that portion of the economy subject to taxation, including the sale of property, and adjust the sales tax rate to achieve revenue neutrality. Each option has different strengths, weaknesses, and tradeoffs, but what is important to notice is how the expanded tax base reduces the impact on individual taxpayers.

For example, according to the study, if the Legislature were to keep the existing sales tax base and include the sale of property, then Texas could replace all revenues at the time with a state-local sales tax rate of 15.73 percent. By expanding the sales tax base to include the sale of property and all 168 types of services taxed by at least one state—as per the Federation of Tax Administrators (FTA)—the needed reformed sales tax rate drops to 10.98 percent. Texas currently taxes 83 types of services. An adjusted GDP sales tax base, which includes the value of all goods and services consumed in the state, minus those transactions that are politically or practically infeasible, drops the sales tax rate down even farther to 7.35 percent.

Determining which of these tax bases represents the best option moving forward is up to the Legislature. But suffice it to say that no matter how policymakers wish to arrange the sales tax, its superior structure allows the government to more efficiently collect revenue from a wider tax base—and therefore with less strain on each individual taxpayer—than is the case with the existing property tax. It aligns the government's revenue collection towards a taxpayer's personal income by taxing only those transactions in which Texans voluntarily enter. This not only grants Texas taxpayers greater control over their individual tax burden, but it also ensures that taxpayers are not pressured into losing an asset, like real estate, in which they have deep emotional and economic investments. Switching over to a broadened sales tax prevents Texas property owners from having to put their tax burden ahead of their financial security.


<table>
<thead>
<tr>
<th>Average Tax Base 2005-2009 (in millions of $)</th>
<th>Average Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Tax Base Including Real Estate</strong></td>
<td>$385,257</td>
</tr>
<tr>
<td><strong>Taxing All FTA Services Including Real Estate</strong></td>
<td>$551,773</td>
</tr>
<tr>
<td><strong>Adjusted GDP Tax Base</strong></td>
<td>$824,439</td>
</tr>
<tr>
<td><strong>GDP Tax Base</strong></td>
<td>$1,101,835</td>
</tr>
</tbody>
</table>
Moreover, as shown in Chart 3, property tax revenues have grown 17.3 percent faster than state sales tax revenue since 2000. Therefore, a property tax-sales tax swap is also a conservative shift because, though the initial tax swap could be revenue neutral, there may be a slower increase in sales tax revenue over time—reducing the growth of the footprint of government. Local officials could also put in controls to give them more certainty about their funding source by passing tax and expenditure limits based on population growth plus inflation.

**Reaping the Rewards**

Should Texas replace its local property tax system with a consumption-based model, the state and its residents would likely enjoy enormous economic gains. If property taxes were abandoned as a revenue source and a reformed sales tax substituted to initially produce an equal amount of revenue, the 2012 Laffer study indicates the expected gains to Texas’ economy and labor market:

- An increase in net new jobs of between 124,900 and 337,400 over a five-year horizon, over and above the job growth Texas would have without the tax reform; and
- An increase in personal income in the range of $3.6 billion to $3.68 billion in the first year. Over a five-year period, it is estimated that personal income could, on a cumulative basis, increase between $22.85 billion and $63 billion, or 1.8 percent to 4.7 percent higher than it would have been otherwise. Chart 7 presents details on the gains in personal income.

Robust employment and personal income increases are, in part, the anticipated result of eliminating the current financial disincentive that hinders homeowners and businesses from improving their properties to avoid a higher tax burden. Eliminating this impediment and shifting the tax burden elsewhere will encourage Texans to reinvest in themselves and create a more vigorous economy.

Perhaps the greatest incentive for property tax reform has nothing to do with tax relief, creating wealth, or adding new jobs—it has to do with liberty. So long as Texas’ property tax remains in place, no man or woman who purchases a home, operates a business, or invests in property will ever truly own what he or she possesses. Under the current system, Texans effectively rent their property from the government—indefinitely. The elimination of this barrier to property ownership puts Texans back in rightful control and strengthens the arm of liberty.

**Conclusion**

The empirical evidence suggests Texas’ local property tax is among the most burdensome in the nation; its imposition continues to create financial hardship for homeowners and businesses. If Texas is to strengthen its economy and become friendlier to taxpayers, then reforming the appraisal process and strengthening the rollback provision is necessary in the short run. However, the endgame should be to implement an alternative revenue-generating system, which better reflects Texans’ ability to pay.

An appropriate alternative to the current property tax system is a consumption-based model. By expanding the current sales tax base and adjusting the rate, the Legislature could reform the state-local sales tax in a revenue-neutral manner and replace property taxes entirely so there’s a lower burden on taxpayers over time. This type of reform offers both economic and private property benefits and puts Texans, instead of government officials, more in control of their future. It is a path that will increase individual liberty and economic prosperity for all.

**Chart 7. Impact on Personal Income in Texas from Property Tax Reform (in billions of $)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Personal Income Baseline (no tax reform)</th>
<th>Personal Income with Tax Reform</th>
<th>Cumulative Increase in Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
<tr>
<td>2013</td>
<td>$1,078.31</td>
<td>$1,089.70</td>
<td>$1,081.91</td>
</tr>
<tr>
<td>2014</td>
<td>$1,123.07</td>
<td>$1,146.93</td>
<td>$1,127.77</td>
</tr>
<tr>
<td>2015</td>
<td>$1,169.70</td>
<td>$1,207.17</td>
<td>$1,174.67</td>
</tr>
<tr>
<td>2016</td>
<td>$1,218.26</td>
<td>$1,270.56</td>
<td>$1,223.18</td>
</tr>
<tr>
<td>2017</td>
<td>$1,268.83</td>
<td>$1,337.29</td>
<td>$1,273.49</td>
</tr>
</tbody>
</table>

**Source:** Texas Public Policy Foundation’s *Enhancing Texas’ Economic Growth through Tax Reform*
Notes

2 Ibid., p. 7.
4 Ibid.
7 Texas Tax Code § 33.01. Property Tax Code/Delinquency/Penalties and Interest.
13 Ibid.
19 Ibid., pp. 18-20.
20 Ibid.
23 Ibid., p. 20.
24 The Federation of Tax Administrators. Number of Services Taxed by Category and State, (July 2007).
26 Ibid., p. 20.
About the Authors

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