



How Would a State Income Tax Work?

The Texas Constitution requires that

- (1) an income tax has to be approved by the **vote of the people**;
- (2) 2/3rds of income tax revenue is **dedicated to property tax relief**;
- (3) the remaining net revenues are **dedicated to education**; and
- (4) Any **increase to the rate** also has to be **approved by a majority of the voters**. *Art. 8, Sec. 24*

The Best Way to Pay for Public Education: A State Income Tax

Texans need property tax relief for everyone--not tax breaks for a few and tax shifts for others. Spending on public education needs to be increased so that all Texas children succeed and no one is left behind. A state income tax provides the best way to cut property taxes and improve public education for all children. Contrary to popular belief, an income tax does not need a constitutional vote since it already exists in Article 8, Section 24 of the Texas Constitution. As outlined above, a personal income tax with a specified rate takes effect only after voter approval in a statewide referendum. Two-thirds of the revenue raised must go to reduce school property taxes. The remaining one-third of income tax revenue is dedicated to education. The Constitution also states that only the voters can increase the tax rate again -- not the Legislature and not local school boards. A state income tax allows Texas voters to control the tax, gives Texas homeowners much needed property relief, and provides Texas children with the resources necessary for a 21st Century education. Our choice is simple: Invest in Kids, Invest in Our Future.

Click here (<http://www.capitol.state.tx.us/txconst/sections/cn000800-002400.html>), for a link to this provision in the Texas Constitution.