



**Texas
Conservative
Coalition**

November 6, 2007

The Honorable John Cornyn
U.S. Senate
Washington, D.C.

Via Fax: (202) 228-2856

Dear Senator Cornyn,

We urge you to support the extension of Texas' state and local sales tax deduction into fiscal year 2008. Extension of the deduction would be achieved through the passage of House Resolution 3680, which was referred to the House Ways and Means Committee at the end of September. Similarly, House Resolution 60—which is also in the House Ways and Means Committee—would provide for a permanent extension of the sales tax deduction.

The sales tax deduction is an important component of delivering tax fairness for Texans. Without the deduction, Texans—as well as taxpayers in eight other states—are discriminated against because they cannot make a federal income tax deduction that is comparable to the state and local income tax deductions made by taxpayers in other states.

As fiscal conservatives, we are proud that our state does not levy an income tax on its citizens; Texans should not be penalized at the federal level because they do not pay an income tax to the state.

Beyond the fact that extending the exemption will ensure continued tax equity for Texans, the exemption also has fiscal benefits for the state. When the exemption was reinstated in 2002, the Texas Comptroller of Public Accounts estimated that over \$700 million would be kept in the hands of Texas taxpayers each year, and that additional jobs, investment, and economic activity would be generated as a result.

The Comptroller estimated that more than \$66 million additional tax revenue was collected between 2003 and 2005 by the state because of this increased economic activity. These increased tax revenues contributed to the state's revenue surplus that has allowed the State Legislature to provide property tax relief to Texas homeowners and businesses.

Finally, it is worth noting that all Texans stand to benefit from having the sales tax deduction extended. Regardless of income level, anyone can apply the sales tax deduction to their federal tax liability. The deduction is a broad-based form of tax relief that must be extended.

We hope that we can count on your continued support for the sales tax deduction.

Sincerely,



Wayne Christian
House District 9



Linda Harper-Brown
House District 105



Ken Paxton
House District 70



Leo Berman
House District 6



Bill Callegari
House District 132



Frank Corte
House District 122



Dan Flynn
House District 2



Dan Gattis
House District 20



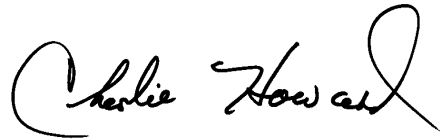
Kelly Hancock
House District 91



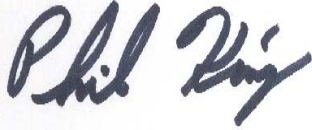
Patricia Harless
House District 126



Bryan Hughes
House District 5



Charlie Howard
House District 26



Phil King
House District 61




Jim Jackson
House District 115



Geanie Morrison
House District 30



Thomas Latham
District 101



John Otto
House District 18



Jim Murphy
House District 133



Dan Patrick
Senate District 7



Tan Parker
House District 63



David Swinford
House District 87



Larry Taylor
House District 24



Corbin Van Arsdale
House District 130



Beverly Woolley
House District 136



Bill Zedler
House District 96



John Zerwas
House District 28

Note: Representative Will Hartnett
(District 114) also signed the letter that
was sent to Congress.