


## Lower Property Taxes Providing a real boost to the Texas economy

- ★ The current Texas tax structure is typically ranked near or below the middle among all states in attractiveness for new business activity. The state's heavy reliance on property taxes and the nature of the current franchise tax hurt businesses and individuals.
- ★ Under a conservative projection, lowering property taxes by 50 cents and paying for that tax reduction with a business activity tax would provide the following positive benefits for the Texas economy:


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 \$6.9 billion in annual total expenditures

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 \$2.5 billion in annual gross product

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 \$1.5 billion in annual personal income

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 28,504 new permanent jobs

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- ★ The actual results may be even better. With these tax changes, Texas will be a much more attractive state for the location, retention, and expansion of major facilities, thus promoting greater levels of economic development.

**“Decreasing reliance on property taxes has several desirable outcomes. First, a significant deterrent for capital-intensive industries to locate or expand in Texas would be removed, thus enhancing economic development opportunities. The real estate market would benefit, as would current and potential homeowners and investors, in that a decrease in property taxes improves the affordability characteristics of such assets.”**

—Ray Perryman, Ph.D., author of *The Consequences of Selected Potential Tax Reforms for Real Estate Performance and Business Activity in Texas* (February 2005)