



DAN FLYNN

★ DISTRICT 2 ★

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Representative Dan Flynn Calls for Additional Tax Relief Requests that Governor Add Tax Relief to the Special Session

AUSTIN - In a letter to Governor Rick Perry, State Representative Dan Flynn (R-Van) joined 29 of his fellow colleagues in a request to add significant franchise tax rate relief to the call of the first special session of the Texas Legislature. The letter, coordinated by the Texas Conservative Coalition (TCC), the conservative caucus of the Texas Legislature, cites dynamic economic and fiscal modeling, calling for a 50 percent reduction in the rates of the franchise tax, which is levied on Texas businesses.

“In the regular session, we passed approximately \$1 billion in tax relief,” stated Representative Flynn Monday morning. “However, in light of Texas’ revenues and our strong fiscal and economic standing, we can and should do more to allow businesses to invest, create jobs, and grow the Texas economy to even greater heights.”

For context, the tax relief passed by the Legislature in the regular session amounts to approximately 1.27 percent of General Revenue, or 0.6 percent of the entire budget. The revenue surplus at the start of the 83rd Legislature totaled approximately \$8.8 billion.

“A 50 percent franchise tax rate reduction is urgently necessary to counteract some of the looming federal tax increases, reduce Texas unemployment even further below the national average, and widen the economic competitiveness gap between Texas and other states,” Representative Flynn concluded.

In a [study](#) for the Texas Conservative Coalition Research Institute (TCCRI), the Beacon Hill Institute at Suffolk University (BHI) estimated that, by 2017, a 50 percent rate reduction would lead to 16,200 new jobs, \$1.9 billion in new investment, and \$4 billion in real disposable income. According to the BHI/TCCRI data, reducing franchise tax rates by half would lead to a dynamic revenue loss to the state of only \$1.3 billion in 2013, and falling to just \$940 million by 2017 as revenue growth from the state's other taxes begins to take up the slack.

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