



# AMERICANS *for* TAX REFORM

Grover G. Norquist  
*President*

April 18, 2008

Florida Budget & Taxation Reform Commission  
Holland Building, Suite 245  
600 S. Calhoun Street  
Tallahassee, Florida 32399-1300

Dear Commissioners,

In light of the current debate over a proposal to eliminate a portion of local property taxes, I write to urge you to flesh out all elements of this plan to ensure that this plan will result in true savings for taxpayers. In its current form, the 'tax swap' plan appears to be a tax increase and as such, I would urge you to revisit the proposal.

While working to eliminate a portion of the tax burden on Florida taxpayers is a worthwhile effort, the commission must ensure that taxpayer protections are in place that will prevent the burden from being increased in coming legislative sessions. By eliminating only the required local effort portion of the ad valorem property tax, taxpayers may still be subject to other property tax increases in the future.

Mandated spending for public education contained in the proposal only compounds the risk for taxpayers. In order to fund the 2-year required growth in school funding and given the intention of the commission to create revenue to replace the \$8.9 billion property tax cut, the legislature would be required to raise taxes by approximately \$11 billion. This proposal would apparently result in a \$3.7 billion increase- \$1.6 of which is accounted for in higher federal income taxes, while the remainder is accounted for in higher state taxes. **If this plan is passed along to the legislature, any legislator who votes to place this measure on the ballot would be violating the Taxpayer Protection Pledge.**

Experience in other states shows that the more moving parts involved in a "tax swap" package, the greater the risk of unintended consequences. **Taxpayers oftentimes find themselves on the losing side of the bargain when a "swap" is on the table.** Given the "necessity" of eliminating sales tax exemptions as a portion of this plan, this looks to be a re-introduction of the services tax that has failed in years past.

**As commissioners, it is up to you to slow the process and make the details of this proposal transparent and open for public consideration.** Given the gravity of this plan, I urge you to open this proposal to further criticism and discussion by taxpayers and legislators in Florida in an effort to ensure that this plan truly

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benefits taxpayers in the long haul and is not simply a tax hike flying under the radar.

Onward,

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