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For school funding, legislators need to look at energy, says RICK KOSTER

Engineering is about building stable structures – bridges, aircraft, circuit boards – that work and keep on working. The structure Texas has for funding its schools is unstable. It needs to be re-engineered.

A tax structure is stable when it brings in the required revenue year in and year out and commands the support of the community. Ours is unstable because it can't sustain the school growth Texas needs and because it depends on property taxation, an unfair method where factors you cannot influence determine what you pay.

You can't make a structure stable by tinkering with it. The tax commission proposes a reduction in the rate of property taxation, yet fails to address rising property assessments, the part that people like least because it hurts most.

The commission's proposed increase in the cigarette tax will foster tax evasion and may provide less revenue, not more. The proposed business franchise tax is a good idea, but the commission's tinkering promises at best to provide a temporary fix for the funding problem and no help at all with the problem of rising assessments. We need a new structure.

The structure I have in mind has a central pillar and two supports. The latter are a business franchise tax as proposed by the Sharp Commission and a so-called "sin" tax on alcohol and tobacco.

Together, these will bring in \$8 billion, half of what Texas is going to need each year for schools that will make our children competitive in this century's economy. The central pillar is a tax on energy derived from fossil fuels. It will provide the other half.

To secure our future, we Americans must begin taxing fossil fuel energy as vigorously as we tax tobacco. Our country is going to come to it sooner or later. Texas is a good place to start; now is a good time.

Texas consumes about 100 million gallons of petroleum-based fuel every day. By applying the state sales tax to this fuel, assuming an average price of \$2.00 per gallon, we can raise about six billion dollars annually. Applying the sales tax to electricity generated with fossil fuels will bring in another \$2 billion.

There are other ways to tax fossil fuel energy. I won't go into them here. What's important to put forward now is a new, energy-based approach to structuring school finance. I'm convinced that it has what's required for stability. It can bring in the needed revenue

and keep on bringing it in for a generation, especially if the state hangs on to any surplus to mitigate the effects of economic fluctuations.

Will Texans support it? Only they can answer that, but I think they will. The changeover has to be phased in slowly, but the key is taxpayer freedom.

Energy is a necessity, and prices are high already, but in good measure a person can decide how much he or she uses. If Texas as a community decides to tax energy – starting with a nominal figure that rises over time – there are things the Texas taxpayer can do: Run the air conditioner a little less; drive a car that gets a few more miles per gallon.

Right now, however, if property values jump – and they are always liable to – there's nothing that the taxpayer can do. It's like being held up in an alley: Stand and deliver. Sixteen billion dollars in property tax relief will take the sting out of taxing energy.

Why our legislators haven't come to grips with the vital problem of school funding while leaping to achieve a needless redistricting is a question that may interest historians or psychologists. As an engineer, all I care about are results.

I invite any and all members of the Texas Legislature to take my proposed structure, put it in the form of a bill and introduce it so that if the people like it, it can be passed this year. Otherwise, I will introduce it myself next year if elected.

Rick Koster of Allen is a Democrat who is challenging state Rep. Ken Paxton in the November election. His e-mail address is rkoster@comcast.net.

Department of Energy petroleum fuel and electricity data for Texas:

<http://tonto.eia.doe.gov/oog/info/state/tx.html>

http://www.eia.doe.gov/cneaf/electricity/st_profiles/texas.pdf