

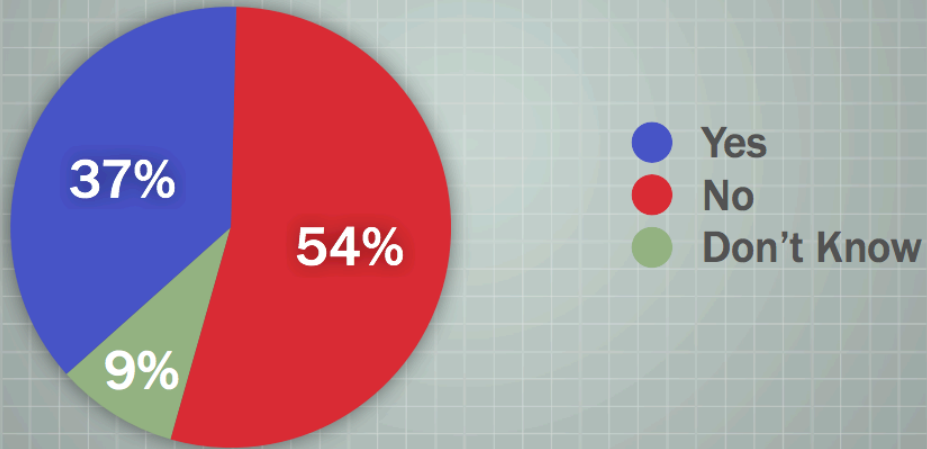
“INSIDE” INTELLIGENCE

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*The Texas Weekly/Texas Tribune insider poll
for the week of February 4*

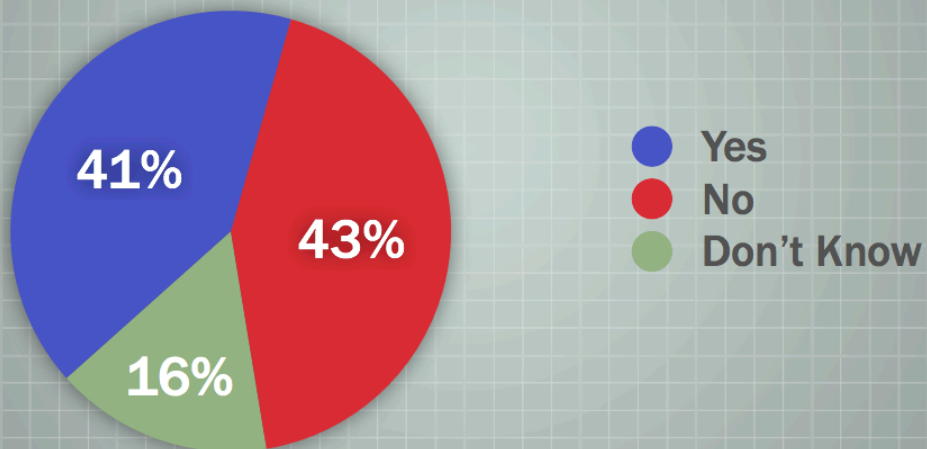
INSIDE INTELLIGENCE

Will lawmakers make tax refunds constitutional?



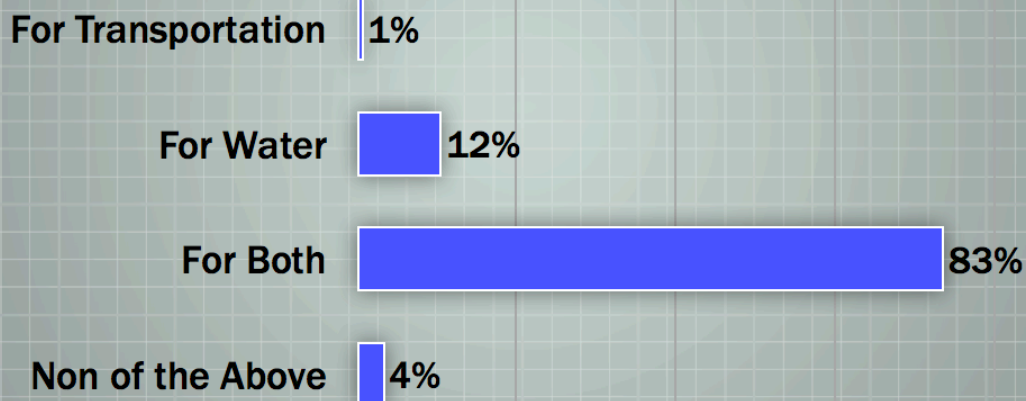
INSIDE INTELLIGENCE

Will lawmakers allow South Texas schools to tap the Permanent University Fund?



INSIDE INTELLIGENCE

Will Perry's request for \$3.7 billion from the Rainy Day Fund pass?



INSIDE INTELLIGENCE

What tax breaks, if any, are most likely?



Will lawmakers approve the governor's proposal for a constitutional amendment allowing tax refunds?

- "Which legislators in their right minds would vote against letting the taxpayers grant them permissions to give the taxpayers their money back?"
- "Using our tax dollars to GROW government, rather than for the purpose they were originally collected is wrong. Taxpayers will want this refund."
- "When's the next time we'll even have refunds?"
- "Ongoing commitments and structural needs like roads and water should be paid out of our regular budget. The shell games and the political posturing is no way to run a state."
- "Getting a bill that 2/3 of the Legislature will agree to won't happen. Business pays most of the taxes, and will fight the proposal to give the money to households. And tracking individuals by address is Big Brother."
- "The reality is money has to be left on the table for Education funding. Even if they don't increase the amount going directly to schools any rewrite of the formulas will cost money to hold everyone harmless."
- "Not a ground-moving proposal"
- "Two-thirds rule in the senate and 55 Dems in the house can be relevant."
- "It definitely makes sense to offer tax relief while at the same time dipping into the savings account. I guess since he's proven his social conservative credentials it's now time to shed daylight between he and Abbott on fiscal issues."
- "How would you distinguish that from a gift of public funds?"
- "Common sense becomes cutting edge political science."
- "House will. Eager to see how the Senate operates with the members."
- "There is no way to properly apportion refunds and there are decades of court cases stating so. That is why there is always a universal tax cut to refund such 'over-collections.' Also, this is Norquist in drag. If we have a surplus and give it all away through cronyism, the next cycle, when we have a deficit, the members have signed their lives to Grover and can't vote to restore funding. Government services, meet the bathtub!"
- "There aren't enough votes in either chamber."
- "I think on tax refunds the Gov will have to prioritize his desire for other amendments. I don't think he gets them all and I think if he's wise he would not try to push all of them."
- "Hope not. What a waste of state funds, primarily sales tax. If we don't want to spend it, set it aside just like the rainy day fund to help when times are bad or for infrastructure development."
- "Are you kidding? What politician would vote against giving money back to his or her constituents."

- "Can't say no to anything that looks like cutting taxes, regardless of context, need, or wisdom."
- "Master stroke from the wounded bear in the Governor's Mansion. How

does nearly 2/3 of the House NOT go along with 'letting the voters decide'?"

- "I just don't see it - constitutional amendments are tough to begin with and unspent funds are something the legislature likes to control."

Will lawmakers approve the governor's proposal for a constitutional amendment allowing South Texas schools to tap the Permanent University Fund?

- "Why not? Every taxpayer dime should be spent for the purpose it was collected. And recipients should be accountable."
- "The politics of opposing this are terrible optics."
- "Have you seen the strength of UT and A&M alums. Go ask Senator Duncan!!!"
- "Fairness issue"
- "No way this gets passed...but the Governor gets to say to South Texas voters 'Well, at least I tried.'"
- "Those schools want it and the state's demographics demand it."

- "Maybe we should skip the tax relief and send that GR to South Texas Schools, preserving the Permanent University Fund for its intended purpose."

- "Republicans in Texas cannot afford to be seen as snubbing South Texas. Democrats, as they do with everything, will try to use this as a racial issue."

- "Aggies and Longhorns may not want to share"

- "Does it help UT or hurt them?"

- "Hell hath no fury like PUF schools being asked to share."

- "This one they can say 'no' to."

Will lawmakers go along with Perry's plan to take \$3.7 billion from the Rainy Day Fund?

- "Anytime THIS governor suggests taking ANY money out of the Rainy Day Fund, the legislature had better jump on it."
- "Bond guarantees for infrastructure is better policy than raising taxes."

- "It shouldn't take tapping the Rainy Day Fund to fund these needs."

- "It's too easy to pass up, as long as they can overcome the question of the spending cap applying to the rainy day fund."

- "Maybe not the full \$3.7, but yes. And they will find a way to help spend it so it doesn't count against the spending limit. Where there is a will there is a way."

- "Nothing shows his diminished stature and influence better than this proposal. He's once again spotted the band moving down the road, and he's running around to the front and pretending to lead."

- "The transportation aspect is a slam dunk. Throw in water needs (which have traditionally had a harder climb) and you address both the paved and parched."

- "Water will definitely get funding. Transportation is more questionable, because there's not a plan out there yet."

- "One time money is not the solution to either problem... state government has been in denial for the last 20+years... user fees to support both programs... remember, pay as you go!"

- "Water, as Chairman Ritter commented at the Trib Series, can be improved by a one-time investment. All of the other priorities will be an on-going cost to the taxpayers that may or may not be able to be funded from the Rainy Day Fund each biennium."

- "One time expenditures for roads and water are a no brainer. The Rainy day fund will be spent down, if not on infrastructure, then something else."

- "It will give the newbies heartburn, but veterans know this state has

serious infrastructure needs that cannot continue to be neglected."

- "Too bad access to health care isn't considered critical to economic development. Wouldn't have to spend dollars, just have to accept them and allow Texas to remain the decision maker for the medical needs of Texans."

- "They would have done so in 2001, 2003, 2005, 2007, 2009, 2011. Perry has finally found his way to the front of the parade. Unfortunately, it is moving two steps for each of his. There will be a dirty uniform and apolitical grease spot left behind. But, for a moment on January 29th, he held the baton. Oh, he held the baton!!"

- "After doing nothing but cut since 2003 and the damaging cuts of 2011, it will give the Republicans a chance to say they finally invested in SOMETHING."

- "If only restoration of cuts to pre-k resulted in decades long public works contracts worth hundreds of millions of dollars."

- "Someone's head just exploded..."

- "Perry might just be weak enough now that plenty of folks would love to get to his right for their own future careers, without fearing the fallout or reprisals that might have occurred in the past."

- "Too many well respected old bulls who aren't big spenders are behind both water and transportation. Of course, who knows what items the Governor will take up that come in from the Internet."

• "Perry came to where Dewhurst & Straus already were -- essentially. Big

business wants both water & transportation."

If the state does allow tax breaks, which are the most likely?

• "This array of refund options should be entitled, 'The Lobbyist Full-Employment Provision.'"

and lower income better not count on much."

• "Lower sales tax rate would be BEST."

• "Bad ideas in total."

• "They're all on the table"

• "The criteria applied will be: how does this benefit the governor?"

• "It needs to be a one time rebate or reduction. He shouldn't put the legislature in the position to have to raise taxes in future sessions."

• "R&D deduction for franchise tax"

• "Can't be done."

• "Phasing out of small business tax exemption"

• "It won't happen."

• "Margin tax repeal or phase out is most likely"

• "The focus will a Norquist-esque 'top, down' approach. Homeowners

• "Lower School Property Tax Rate"

Our thanks to this week's participants: Gene Acuna, Cathie Adams, Brandon Aghamalian, Jenny Aghamalian, Jennifer Ahrens, Clyde Alexander, George Allen, David Anthony, Jay Arnold, Charles Bailey, Dave Beckwith, Andrew Biar, Allen Blakemore, Tom Blanton, Hugh Brady, Chris Britton, Andy Brown, David Cabrales, Lydia Camarillo, Marc Campos, Thure Cannon, Snapper Carr, Janis Carter, Elizabeth Christian, Harold Cook, Kevin Cooper, Beth Cubriel, Randy Cubriel, Curtis Culwell, Denise Davis, Hector De Leon, Tom Duffy, David Dunn, Jeff Eller, Jack Erskine, Wil Galloway, Neftali Garcia, Norman Garza, Dominic Giarratani, Bruce Gibson, Kinnan Golemon, John Greytok, Michael Grimes, Wayne Hamilton, Adam Haynes, John Heasley, Jim Henson, Ken Hodges, Steve Holzheuser, Shanna Igo, Deborah Ingersoll, Cal Jillson, Jason Johnson, Bill Jones, Mark Jones, Robert Jones, Richard Khouri, Tom Kleinworth, Ramey Ko, Sandy Kress, Pete Laney, James LeBas, Luke Legate, Leslie Lemon, Richard Levy, Homero Lucero, Vilma Luna, Matt Mackowiak, Luke Marchant, Suzi McClellan, Dan McClung, Parker McCollough, Scott McCown, Robert Miller, Bee Moorhead, Mike Moses, Steve Murdock, Craig Murphy, Keats Norfleet, Pat Nugent, Nef Partida, Gardner Pate, Tom Phillips, Wayne Pierce, Richard Pineda, Allen Place, Kraege Polan, Gary Polland, Jay Propes, Bill Ratliff, Tim Reeves, Patrick Reinhart, Jason Sabo, Andy Sansom, Jim Sartwelle, Stan Schlueter, Bruce Scott, Robert Scott, Bradford Shields, Christopher Shields, Jason Skaggs, Ed Small,

Martha Smiley, Todd Smith, Larry Soward, Dennis Speight, G. Sprinkle, Bob Strauser, Colin Strother, Michael Quinn Sullivan, Sherry Sylvester, Russ Tidwell, Gerard Torres, Trey Trainor, Vicki Truitt, Ware Wendell, Ken Whalen, Darren Whitehurst, Seth Winick, Alex Winslow, Peck Young, Angelo Zottarelli.