

Texas and Taxes

Texas famously does not have an income tax, but it does have a tax on businesses' gross receipts – not *profits*, but *cash flow*. This is the “franchise tax.” The tale of how that came to be might be filed under: How to take a race-baiting class-warfare lawsuit and turn it into a pretty good tax cut that basically everybody hates. Texas politics gets a little weird sometimes. (Warning: Wonkiness Ahead.)

Back in the dark ages of 1984, the Mexican American Legal Defense and Education Fund (MALDEF) filed a lawsuit against the state of Texas on behalf of the Edgewood Independent School District of San Antonio, alleging that Texas's system of public-school finance, which relied almost exclusively on local property taxes, was unconstitutional. Because some districts are property-rich and some are property-poor, the same tax rate produced wildly different revenues from community to community. MALDEF argued that, under the state constitution, funding public schools was a state responsibility, not a mainly local one. The Texas Supreme Court, in a unanimous ruling, upheld MALDEF's complaint, and there followed a decades-long saga that found the Lone Star State trying to construct a new system of school financing that would pass constitutional muster, and failing twice before it settled on a plan.

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Rick Perry Pushes Their

Buttons

Gov. Rick Perry, pressed for his views on evolution, characterized it as “a theory” with “some gaps” in it. He went on to say that, in Texas, both conventional evolution and creationism are taught. He told a boy whose mother asked him about the subject: “In Texas, we teach both creationism and evolution in our public schools – because I figure you’re smart enough to figure out which one is right.”

This is the sort of thing that drives a certain kind of person nuts. Likewise, Perry’s joking about secession after being asked a question about it – and explaining that “when we came into the nation in 1845, we were a republic . . . and one of the deals was, we can leave anytime we want” – has caught on as a kind of shorthand for all of the cultural friction that is going to make Perry a tough sell to suburban moderates.

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Iowa Loves a Businessman

Mitt Romney got slapped around by hecklers (meet a charming one here) at the Iowa State Fair, in an episode one longtime Iowa political observer described as almost certainly prefabricated. But on the fairway, Romney was the leading candidate – he definitely won the T-shirt primary, at any rate. The only campaign swag in evidence was Romney’s.

When people think of commerce in Iowa, they tend to think of corn- and pig-intensive enterprises. But Iowa is of course much more complex than that, and Romney’s business background seems to resonate with a surprising number of Iowa voters,

considering the fact that Romney has been AWOL from this week's dog-and-pony show straw poll in Ethanolistan.

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