

ON EQUITABLE TAXES

Virginia is known as a low state tax state. According to the nonpartisan Tax Policy Foundation, Virginia ranks 41st among the states in total state and local tax burden when measuring taxes as a percentage of personal income. Virginia is also ranked the Best Managed State by Governing Magazine.

I have voted to reduce taxes on cars, food, over-the-counter drugs, people aged 62 and over, and many non-profit organizations. I also supported the 2004 tax reform package that raised the tobacco and sales taxes to provide for education, public safety and human services. At that time, the recession had forced \$6 billion in program cuts and threatened our AAA bond rating.

It is important that Virginia have low taxes in order to attract and keep businesses in our state. We must do all we can to provide good, well-paying jobs for our residents. Low taxes are an important factor in showcasing our state.

One way to keep our state taxes low is to eliminate unnecessary spending. My efforts have saved almost \$100 million by requiring value engineering. In addition, my bill to reform the state's archaic information technology system will provide substantial savings.

As important as low state taxes are, it is equally important that the taxes be fair. Unfortunately, that is not the case currently in Virginia. We have an outdated tax structure designed for the agrarian economy of the 18th century, not the global economy of the 21st century.

There are many inequities in the system. The most serious is that too much of the tax burden falls on homeowners. This is partly because counties, like Fairfax County, do not have a variety of taxes they can impose. The burden falls on real property. In an economic downturn, when commercial properties have high vacancy rates, the relative tax burden on homes increases. Tragically, too many people are finding they cannot afford to stay in their own homes.

Ironically, one of the inequities is that counties do not have the same taxing options that cities and towns have. We need to equalize taxing powers.

To remain economically competitive, we must also provide quality services to our people. We need topnotch public schools, colleges and universities, human service programs for our vulnerable citizens, and a transportation network we can rely on. Our existing tax structure is inhibiting our ability to provide these.

The General Assembly and Governor are continuing to develop plans to revise our tax structure. We need to determine what services we need, what level of government can best provide them, what they cost, and what the fairest way to raise the necessary funds is. The public needs to be actively engaged in this process. Your views really matter; please e-mail them to me at SenHowell@gmail.com. As a member of the powerful Senate Finance Committee, I will be a key decision-maker in this process.