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## **There's No Good Way to Pay for Property Tax Repeal.**

### **Key Findings**

- Property taxes currently generate 70 percent of all local tax revenue, some or all of which would have to be replaced with other taxes under property tax repeal.
- Replacing the property tax with newly granted local taxing authority is exceedingly difficult, because local sales and income tax bases vary widely across jurisdictions; there may, for instance, be no feasible sales tax rate by which an agricultural county or bedroom community could replace its property tax revenue.
- Backfilling forgone local property tax revenue through new state taxes is difficult because it dramatically shifts overall tax burdens, undermines local accountability, and cannot easily adjust for changing population mixes.
- All revenue alternatives are less conducive to economic growth than the existing property tax regime, but some transfer regimes are sharply degrowth.
- Taxpayers should have the opportunity to evaluate plans for replacing property tax revenue, not just promises of repeal without trade-offs.

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### **Tax Foundation**

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