

# LONE STAR PROJECT

*Fighting Back... with Facts*



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On the web at [www.LoneStarProject.net](http://www.LoneStarProject.net)

## **Rick Perry Airs Misleading Ad**

*Facts Dispute Perry Claims*

Last week, Rick Perry began airing a television ad bragging and taking credit for everything from tax cuts to teacher pay. The **Lone Star Project** analyzed the ad and found that it simply does not stand up to close scrutiny. Perry's comments are consistently deceptive and incomplete.

A video "fact check" of the Perry ad can be viewed below. We have also included a written transcript of the Perry ad with each claim "fact checked" by the **Lone Star Project**.

## Perry Ad Fact Check

The **Lone Star Project**  
checks the **Facts**.

[Click for the Lone Star Project Fact Check Video](#)

### **Claim 1 - Deceptive**

**Rick Perry:** A fifteen billion dollar tax cut and more money for our schools. We kept our promises to you. The average homeowner will receive a two thousand

dollar tax cut.

**Fact: The average Texas homeowner will receive only a \$150 property tax cut this year.**

**Source:**

“[John] Sharp [Perry appointed Chairman of the Texas Tax Reform Commission] said the owner of an average home, which he described as appraised at about \$118,000, would save about \$150 in property taxes in the first year.” (Source: *Austin American-Statesman, Friday, May 26, 2006* )

**Claim 2 – Deceptive and Incomplete**

**Rick Perry:** Every teacher will receive a well deserved pay raise.

**Fact: Texas Teachers will still be paid \$4,000 less than the national average.**

**Source:**

**Average Salaries (\$) of Public School Teachers, 2004–05  
National Education Association**

Rank	State	Average Salary
	U.S. AVERAGE	47,808
33	TEXAS	41,009

(Source: *National Education Assn. Statistical Ranking of the States*  
<http://www.nea.org/edstats/images/05rankings-update.pdf>)

**Claim 3 - Deceptive**

**Rick Perry:** We closed corporate loopholes

**Fact: Big banks, insurance companies and large landowners will receive more than \$800 million in tax cuts.**

**Source:**

**Texas Legislative Budget Board  
Tax/Fee Equity Note HB1 and HB3**

	Change in Liability Under HB 1 [in \$ Millions]	Change in Liability Under HB 3 [in \$ Millions]	Net Change in Liability Under HB1 and 3 [in \$ Millions]
<b>Finance, Insurance &amp; Real Estate</b>	-961.6	160.1	<b>-801.5</b>

(Source: Texas Legislative Budget Board  
Tax/Fee Equity Note HB1 and HB3)

**Claim 4 – Deceptive and Incomplete**

**Rick Perry:** and created new protections to keep taxes low.

**Fact: Texas has the 8th highest sales tax rate – higher than New York, Michigan and Massachusetts.**

**Source:**

**Federation of Tax Administrators,  
State Sales Tax Rates  
January 1, 2006**

Rank	State	Tax Rates
40	NEW YORK	4
29	MASSACHUSETTS	5
14	MICHIGAN	6
8	TEXAS	6.25

( Source: U.S. Department of Labor, Unemployment Rates for States Apr. 2006)

**Claim 5 – Deceptive and Incomplete**

**Rick Perry:** And we're protecting our job climate. The best in the nation.

**Fact: Texas unemployment ranks 38th - worse than Oklahoma, Alabama and West Virginia.**

**Source:**

**Unemployment Rates for States Monthly Rankings  
Seasonally Adjusted April 2006  
U.S. Department of Labor, Bureau of Labor Statistics**

	State	Rate
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Rank		
13	ALABAMA	3.6
17	OKLAHOMA	3.9
19	WEST VIRGINIA	4.1
<b>38</b>	<b>TEXAS</b>	<b>5.1</b>

(Source: U.S. Department of Labor, Bureau of Labor Statistics  
<http://www.bls.gov/web/laumstrk.htm>)

**Rick Perry:** Lower property taxes, higher teacher salaries, and the largest tax cut in history. That's good for Texas.

**Summary:** Claims made in Perry ad are consistently deceptive and incomplete.

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## Check the Lone Star Project Sources for Yourself

### Claim 1

**Austin American – Statesman**

#### **CAMPAIGN WATCH**

Friday, May 26, 2006

#### **Expect \$1,350 in savings for average home, Sharp says**

The owner of an average-value home will save about \$1,350 in school property taxes over the next three years, former Comptroller John Sharp said.

Gov. Rick Perry tapped Sharp to head a commission that authored an overhaul of state taxes, which lawmakers passed in their recent special session. That overhaul reduced school property tax rates by one-third over the next two years while expanding the business tax and increasing cigarette taxes.

Sharp said the owner of an average home, which he described as appraised at about \$118,000, would save about \$150 in property taxes in the first year and about \$600 per year over the next two years. His explanation splits the difference between Perry and Comptroller Carole Keeton Strayhorn, who is running for governor.

Perry says in television commercials that the average homeowner will save

\$2,000 over the first three years. Strayhorn said this week that the average homeowner would save about \$598 in that time. The gubernatorial rivals came up with different figures by using different average home values and different assumptions about how far school district tax rates would inch back.

— Jason Embry

**Claim 2**

**Average Salaries (\$) of Public School Teachers, 2004–05  
National Education Association**

<b>RANK</b>	<b>STATE</b>	<b>2004 - 05 AVERAGE SALARY</b>
1	CONNECTICUT	58,688
2	DISTRICT OF COLUMBIA	58,456
3	CALIFORNIA	57,876
4	MICHIGAN	56,973
5	NEW JERSEY	56,682
6	NEW YORK	56,200
7	ILLINOIS	55,629
8	MASSACHUSETTS	54,325
9	RHODE ISLAND	53,473
10	PENNSYLVANIA	53,258
11	ALASKA	52,424
12	MARYLAND	52,331
13	DELAWARE	50,869
14	OHIO	48,692
15	OREGON	48,330
	<b>U.S. AVERAGE</b>	47,808
16	MINNESOTA	46,906
17	INDIANA	46,591
18	GEORGIA	46,526
19	HAWAII	46,149
20	WASHINGTON	45,724

21	VIRGINIA	44,763
22	VERMONT	44,535
23	WISCONSIN	44,299
24	COLORADO	43,949
25	NEW HAMPSHIRE	43,941
26	NEVADA	43,394
27	NORTH CAROLINA	43,348
28	ARIZONA	42,905
29	SOUTH CAROLINA	42,207
30	IDAHO	42,122
31	TENNESSEE	42,072
32	FLORIDA	41,587
33	TEXAS	41,009
34	KENTUCKY	40,522
35	ARKANSAS	40,495
36	WYOMING	40,392
37	UTAH	39,965
38	MAINE	39,610
39	NEBRASKA	39,456
40	NEW MEXICO	39,391
41	IOWA	39,284
42	KANSAS	39,175
43	MISSOURI	38,971
44	LOUISIANA	38,880
45	MONTANA	38,485
46	WEST VIRGINIA	38,360
47	ALABAMA	38,186
48	OKLAHOMA	37,879
49	MISSISSIPPI	36,590
50	NORTH DAKOTA	36,449
51	SOUTH DAKOTA	34,040

(Source: National Education Assn. Statistical Ranking of the States  
<http://www.nea.org/edstats/images/05rankings-update.pdf>)

**Claim 3**

**Texas Legislative Budget Board  
 Tax/Fee Equity Note HB1 and HB3**

	Change in Liability Under HB 1	Change in Liability Under HB 3	Net Change in Liability Under HB1 and 3
	[in \$ Millions]	[in \$ Millions]	[in \$ Millions]
Agriculture, Forestry & Fishing	-86.8	98.3	11.5
Mining	-256.7	-22.1	-278.8
Utilities & Transportation	-387.5	265	-122.5
Construction	-30	191.3	161.3
Manufacturing	-502.2	916.2	414
Wholesale & Retail Trade	-280.1	136.3	-143.8
Information	-270.8	508	237.2
Finance, Insurance & Real Estate	-961.6	160.1	-801.5
All Other Services	-262.4	1,133.60	871.2
Total Taxes on Business:	-3,038.10	3,386.70	348.6

(Source: Texas Legislative Budget Board  
 Tax/Fee Equity Note HB1 and HB3)

**Claim 4**

**Federation of Tax Administrators,  
 State Sales Tax Rates  
 January 1, 2006**

Rank	State	Tax
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		<b>Rates</b>
50	ALASKA	none
49	DELAWARE	none
48	MONTANA	none
47	NEW HAMPSHIRE	none
46	OREGON	none
45	COLORADO	2.9
44	ALABAMA	4
43	GEORGIA	4
42	HAWAII	4
41	LOUISIANA	4
40	NEW YORK	4
39	SOUTH DAKOTA	4
38	WYOMING	4
37	MISSOURI	4.225
36	NORTH CAROLINA	4.5
35	OKLAHOMA	4.5
34	UTAH	4.75
33	IDAHO	5
32	IOWA	5
31	MAINE	5
30	MARYLAND	5
29	MASSACHUSETTS	5
28	NEW MEXICO	5
27	NORTH DAKOTA	5
26	SOUTH CAROLINA	5
25	WISCONSIN	5
24	VIRGINIA	5
23	KANSAS	5.3
22	NEBRASKA	5.5
21	OHIO	5.5
20	ARIZONA	5.6

19	ARKANSAS	6
18	CONNECTICUT	6
17	FLORIDA	6
16	INDIANA	6
15	KENTUCKY	6
14	MICHIGAN	6
13	NEW JERSEY	6
12	PENNSYLVANIA	6
11	VERMONT	6
10	WEST VIRGINIA	6
9	ILLINOIS	6.25
8	TEXAS	6.25
7	MINNESOTA	6.5
6	NEVADA	6.5
5	WASHINGTON	6.5
4	MISSISSIPPI	7
3	RHODE ISLAND	7
2	TENNESSEE	7
1	CALIFORNIA	7.25

**Claim 5**

**Unemployment Rates for States Monthly Rankings**

**Seasonally Adjusted April 2006**

**U.S. Department of Labor, Bureau of Labor Statistics**

<b>Rank</b>	<b>State</b>	<b>Rate</b>
1	HAWAII	2.8
2	FLORIDA	3.0
2	SOUTH DAKOTA	3.0
4	WYOMING	3.2
5	NORTH DAKOTA	3.3
5	VERMONT	3.3
5	VIRGINIA	3.3

8	IDAHO	3.4
8	NEBRASKA	3.4
8	NEW HAMPSHIRE	3.4
11	MARYLAND	3.5
11	UTAH	3.5
13	ALABAMA	3.6
13	IOWA	3.6
13	MONTANA	3.6
16	DELAWARE	3.7
17	CONNECTICUT	3.9
17	OKLAHOMA	3.9
19	MINNESOTA	4.1
19	NEVADA	4.1
19	WEST VIRGINIA	4.1
22	MAINE	4.2
23	ARIZONA	4.3
23	COLORADO	4.3
23	NEW MEXICO	4.3
23	NORTH CAROLINA	4.3
27	GEORGIA	4.6
27	KANSAS	4.6
27	MISSOURI	4.6
30	PENNSYLVANIA	4.7
30	WASHINGTON	4.7
32	LOUISIANA	4.8
32	WISCONSIN	4.8
34	CALIFORNIA	4.9
34	INDIANA	4.9
34	MASSACHUSETTS	4.9
34	NEW YORK	4.9
38	ARKANSAS	5.1
38	ILLINOIS	5.1

38	NEW JERSEY	5.1
<b>38</b>	<b>TEXAS</b>	<b>5.1</b>
42	RHODE ISLAND	5.4
42	TENNESSEE	5.4
44	DISTRICT OF COLUMBIA	5.5
44	OHIO	5.5
44	OREGON	5.5
47	KENTUCKY	6.1
48	SOUTH CAROLINA	6.6
49	ALASKA	7.0
50	MICHIGAN	7.2
51	MISSISSIPPI	7.7

NOTE: Rates shown are a percentage of the labor force. Data refer to place of residence. Estimates for the current year are subject to revision early in the following calendar year.

**Last Modified Date:** May 19, 2006

(Source: U.S. Department of Labor, Bureau of Labor Statistics  
<http://www.bls.gov/web/laumstrk.htm>)

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