

The political pulse

Idaho Falls, Idaho, Wednesday, January 20, 1982

C-9

Legislative limelights . . .

Revenue projections set stage for fights

By BEN J. PLASTINO

Post-Register political editor

The varying revenue projection figures for state government for both the 1982 fiscal year and the 1983 fiscal year promise a replay of the 1981 budget fights between Democratic Gov. John V. Evans and the Republican legislative leadership but it should not be as bitter.

It was the main controversy between the contending factions. In looking back both were partly in the right and partly in the wrong for financing state government for the current fiscal year ending June 30.

The variances for the 1983 fiscal year are not as great and the erratic fluctuations in the economy places a big question mark on any predictions, whether it be that of the governor or the Legislative Revenue Projection Committee. Neither can be blamed too much in view of the yoyo antics of the economy.

* * *

Perhaps both the governor and legislative leadership can both be faulted, the governor because he is overly optimistic and the Republicans leaders because they are pessimistic, earning the title of "prophets of gloom." It would appear a midway point would be the best solution for all concerned.

Just for a brief review for fiscal year 1982 beginning last July 1. The governor came up with a recommendation for a \$438 million budget. The Republican controlled Revenue Projection Committee could only see some \$422 million.

The Revenue Projection Committee now has revised its 1982 revenue to \$425,930,000, or some \$4 million more above its original estimates. It is \$13 million below what the governor wanted. This would indicate the legislature was far more correct than the governor but neither earned any Brownie points for excellence.

This is now all water under the bridge and it's a question of how much surplus can be squeezed out to use, either for tax relief, supplemental funding or any other purposes the legislature and governor can agree on.

The figures for fiscal year beginning next July 1 and which the Idaho Legislature will consider in approving the budget as are not as varied. However, they could bring the governor and legislature again on a collision course.

The Revenue Projection Committee predicted \$463.4 million for fiscal 1983, or only \$3.8 million below the \$467.2 million the governor recommended.

However, the governor's figures are complicated by his adding about \$10 million more in what he calls "one shot" administrative procedures, such as early state income tax reporting and other actions that come under question.

Remarks by the legislators indicate they will not accept what they call "soft money" conjecture. It would appear on the present basis an almost leadpipe cinch this year's budget will hover close to \$465 million, give or take a couple of million.

Sen. Dane Watkins, R-Idaho Falls, a member of both the revenue project and finance committee, said he is so pessimistic that he sponsored a successful motion that would note the possibility of loss of \$3 million by the state conforming to the Internal Revenue Service Code on income tax reporting.

The revenue committee also voted to add a footnote to the projection that it does not include the possibility of a \$9 million loss of revenue in fiscal 1983 by adoption of the federal income tax code on deductions, tax credits and exemptions.

Some believe the loss will be far less than \$9 million primarily from increased taxable income exemptions for individual retirement accounts and other special accounts.

Thus, the all powerful Joint Finance-Appropriations Committee now has its revenue projection figures. If past practices are followed, the so-called "dirty dozen" made up of the conservative Republicans will take the lower figures for its appropriation. It naturally will set spark acrimonious exchanges with the governor.