The Post-Register
The political pulse
C-6 Idaho Falls, Idaho, Wednesday, September 29, 1982

The election eye

Idaho healthy when compared with others

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Much of the state campaign appears to be centered on the so-called sorry financial plight of Idaho but a National Council of State Government report appearing in its latest periodical shows that Idaho is actually in better condition that most other states.

For one thing, the Idaho forefathers who wrote the State Constitution in 1890 apparently had better financial foresight than those who framed the U.S. Constitution more than 100 years before that because they decreed a balanced budget.

If that had been included in the U.S. Constitution, the nation would not be presently struggling against its huge mounting deficits.

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The Council of State Goverment reported after a comprehensive survey of all 50 states that seven states ended their fiscal 1982 year with deficits. They were Connecticut, Minnesota, New Hampshire, Ohio, Oregon, Washington and West Virginia.

"After a financially turbulent year that saw almost half the states raise broadbased taxes, many states are still financially unstable," wrote Helena Sims, Washington, of the CSG.

"The persistent recession, federal program changes and budget cuts, along with self-imposed taxes and spending limitations continue to threaten many states' financial security."

She noted Michigan, failing to collect one-fifth of its projected revenues and facing a $1 billion deficit in fiscal year 1982, called for an across-the-board 12 percent cut in state spending. Michigan also temporarily raised the personal income tax from 4.6 percent to 5.6 percent, retroactive from April 1 to Sept. 30.

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Many states needed to raised broad-based taxes, but Idaho did not. The only Idaho tax increase was 1 cent for gasoline per gallon but that was not for state government; it was for cities, counties and highway districts.

The National Association of State Budget Officers reported that the project aggregate spending balance for fiscal year 1982 was 1.5 percent, down from 4.5 percent in 1981.

While Idaho and Maine got a favorable tax credit rating, Moody's Investers Service since January, 1982, downgraded the credit rates of Michigan, Minnesota, New Hampshire, Oregon, Washington and Wisconsin.

This would indicate that Idaho is looked on as a good financial risk from the influential eastern financial interests.

Yet, the fiscal deficit maneuver by Evans is a bona fide state political issue despite the assertions that the state is in sound financial condition. Critics contend Evans circumvemnted the state constituion in transferring money from 1982 fiscal year to 1983 to avoid a deficit.

Besides Idaho, the states of Arizona, Kentucky, Maryland, Vermont and Virginia raised the gasoline tax; Missouri will vote on a 4 cent increase; Tennessee allowed one cent local option tax hike, and sales taxes rose in 1982 in Florida, Ohio, Nebraska, Vermont, Washington and Wisconsin, while Minnesota and Tennesse renewed higher sales tax rates.

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Idaho tax of 12.5 percent for gas per gallon, 3 cents for sales tax and 9.1 cent for cigarets in most cases are below the national average.

At least 22 states this year have responded to tight budgets by increasing broad-based taxes, said the CSG.

Florida and Wisconsin increased their sales tax from 4 percent to 5 percent; and Minnesota levied a 7 percent surtax for one year on personal income tax.

Vermont and Nebraska adjusted their personal income tax rates to counteract expected losses due to the Economic Recovery Tax Act.

Iowa, Indiana, Nebraska and Wisconsin raised their corporate tax rates to adjust for the Accelerated Cost Recovery System contained in the Economic Recovery Tax Act.

Other measures taken was Florida froze hiring and limited travel; Oregon made cuts toaling $131 million and reveue increases of $189 million; Wisconsin plans a 25 percent reduction in personnel costs for fiscal 1983 despite sale and used tax increases.

Washington boosted taxes by $113 million and cut $90.6 million from spending.

Ms. Sims said most states are not making up for federal budget cuts.

The budget cuts caused confusion by taking effect in the middle of most states' fiscal year because October is the start of the federal fiscal year but the state fiscal year begins July 1.

Block grants proved to be less significant than envisioned by the president's plan to consolidate more than 90 programs into seven block grants, she noted. Instead 57 programs were consolidated into nine block grants.

"Unless the economy improves, unemployment and interest rates drop and capital becomes available for repairing the intrastructure, tough decisions will get tougher," Ms. Sims gloomily concluded.