

JUN 16 1983

Evans eyes hike in budget

By BEN J. PLASTINO

Post-Register political editor

Gov. John V. Evans, undaunted by legislative rebuffs, said here Wednesday night he will ask the 1984 Legislature to increase the state budget.

While here to address the annual Harry S. Truman Banquet, Evans said it is too early to hazard a guess at what he will recommend.

"It certainly will be above the \$451 million finally approved by this year's Legislature," said Evans in a Post-Register interview.

He said the state of the economy is uncertain but if it continues to improve and revenues escalate above anticipation, he said a \$475 budget figure would not be out of line. It is the same figure that he recommended this year.

He lamented the Legislature's refusal to dip into increased revenues to adequately fund education in the coming fiscal year.

Asked if he would still consider calling a special session this year, he replied "no, I don't think I will. I didn't have much success in the last one."

He was referring to the May special session which refused to increase education appropri-

tions by \$13.2 million as he requested.

He substantiated the views of his attorney, Pat Costello, that the two Republican members of the Board of Examiners, Attorney General Jim Jones and Secretary of State Pete T. Cenarussa, acted illegally in not granting his full request for \$4.2 million for more funding for higher education and agricultural research-extension service.

He said he would not press a lawsuit but that the Board of Education is in a position to do so. He said he hoped the education board will be able to get the full amount by independent action.

He said he was concerned a lawsuit would cloud the credit of the \$110 million in tax anticipation notes State Treasurer Marjorie Ruth Moon floated to help pay off state deficits.

The governor expressed optimism Democrats will win control of the State Senate in 1984 and dramatically close the gap in the House. Republicans presently control both chambers, 21-14 in the Senate and 51-19 in the House.

"I can certainly use some more good friends on the third floor," he said, referring to the legislative chambers at the State Capitol.

Group may fight sales tax exemptions

By BEN J. PLASTINO

Post-Register political editor

State Sen. Dane Watkins, R-Idaho Falls, cochairman of the Interim Legislative Tax Structure Committee, said Friday he understands a taxpayers' faction in Pocatello plans a statewide initiative campaign calling for elimination of all sales tax exemptions.

Watkins said the report is presently in the rumor stage and he could give no names. He said reports indicate this committee may announce its plan to circulate petitions later this year to place such a proposal on the November 1984 ballot.

Watkins said he hopes his newly-

formed tax structure committee which held its first session Thursday may be able to head off such a movement that could further wreck the property tax system.

He pointed out two other voter statewide initiatives, the 1 Percent Initiative in 1978, and the Residential Home Exemption Initiative, better known as the 50-50, in 1982, have both seriously restricted Idaho's property tax system.

"We have 26 major sales tax exemptions that lose about \$200 million to the state each year," said Watkins. "If the state loses this money than an entirely new taxing system will be needed."

Watkins said he viewed this new tax structure committee as perhaps the most important in legislative history to bring about comprehensive tax reform.

He noted the committee is looking at everything from tax exemptions to a state lottery.

The committee was asked to look at giving local governments more power to raise money, and was even asked to consider freeing county assessors from their motor vehicle licensing responsibilities.

He said other items that could be looked at include sales tax exemptions, property tax exemptions, a more graduated form of income tax

that would tax higher incomes at higher levels; placing sales tax on items Idaho exports; the circuit breaker property tax relief; local option taxes; disbursement of cigarette and liquor tax revenue; utility taxes; and corporate taxes.

"I don't think anything is going to happen this coming year but this is to shape up our tax structure for the next decade," said Watkins.

Watkins said the committee will look at tax reform studies made in 1955 and in 1966 but it likely will use Legislative Council staff members and others to help compile results of the study.