# Tax reform possible, Watkins says

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State Sen. Dane Watkins, R-Idaho Falls, Senate Local Government and Taxation Committee chairman, said Tuesday he believes meaningful changes in the Idaho tax structure can be accomplished.

Watkins, co-chairman of the Legislative Council's Tax Structure Study Committee, said "the committee is studying the state's tax structure in all of its aspects, with the goal of the committee's recommendations being to develop strategy to implement a tax structure over the succeeding years that is balanced in its application and effect, meets the revenue needs of the state, and encourages and assists economic development."

Watkins said the five subcommittees have been working during August and September on sales, income, property and miscellaneous taxes and intragovernment relationships. He issued the statement following the subcommittee meetings.

Watkins urged anyone who has suggestions on Idaho's tax structure to contact him.

"We have a real opportunity to make some meaningful changes," said Watkins

He said this committee will study the entire spectrum of taxes and other revenue-raising measures, and then submit recommendatons to the 1984 Legislature.

He said the committee's main intent is to come up with a tax reform program that will ease the property tax burden.

"For many years," Watkins said, "the state's citizens enjoyed a comparatively balanced tax system which included components of ad valorem, sales, individual income and corporate taxes. This has been a substantial system in the past but other factors have upset this."

He said those factors include voter-sponsored changes in tax policy, such as the 1 percent and residential tax exemption initiatives.

There also have been federal changes in tax policy, which have reduced federal revenues and placed more of the burden on state government, he said.

"This imbalance has caused a fiscal crisis in the state of the highest order," he said. "It is apparent that short-term or emergency reaction to the financial dilemma result in ill-considered piecemeal counter productive tax structures. Is is the desire of the Legislature that a tax structure should encourage economic development, not hinder it."

Watkins is co-chairman with Rep. Steve Antone, R-Rupert, House Revenue and Taxation Committee chairman. The tax structure panel is made up mostly of members of the Senate Local Governnment and Taxation Committee and the House Revenue and Taxation Committee.

Watkins labeled the committee as perhaps the most important in legislative history to bring about long-sought tax reform. He said it will look at everything ranging from sales tax exemptions to state lottery.