

Higher taxes possible in 1984, says Idaho taxpayers executive

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BOISE — In view of the tight financial situation and the Legislature maintaining a preference for tax hikes in lieu of expenditure alignment, taxpayers can look forward to higher taxes, Russell Westerberg, Boise, executive manager of the Associated Taxpayers of Idaho, said Tuesday.

Writing in the ATI monthly bulletin, Westerberg said Idaho taxpayers can look forward not only to retention of higher sales tax rates but "renewed efforts to raise other taxes as well."

Westerberg noted the 1983 Legislature approved total appropriations of \$987,822,400 for fiscal year 1984. This included \$451,613,700 from the general fund and \$536,208,700 from other revenue sources, such as federal, dedicated and miscellaneous

funds. In addition, \$1,743,200 was granted in supplemental appropriations.

The 1983 Legislature held general account appropriation to an increase of 1.4 percent, or \$6,400 million over the fiscal year 1983 year adjusted appropriation, noted Westerberg. It did this by increasing sales, corporate income and other taxes.

He said the Legislature had a \$60 million general account deficit in fiscal year 1983 because of declining state revenue. It increased taxes in record amounts to meet the shortfall.

"The cause of this fiscal calamity was not a failure of the state tax structure," said Westerberg. "It was rather a perceived unwillingness on

the part of the public to accept the consequences of a public expenditure concomitant with the state's economy.

"Without almost immediate and sustained economic recovery, the state's tax structure - absent the temporary 1.5 percent sales increase - will prove inadequate to maintain just the level of spending established by the 1983 Legislature, let alone meet the fiscal year 1985 revenue requests of public and higher education."



Russell Westerberg