

# Watkins favors more exemption

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BOISE — Sen. Dane Watkins, R-Idaho Falls, chairman of the Senate Local Government and Taxation Committee, Tuesday emphasized his determination to support the expanded Homestead Exemption Act proposed by Gov. John V. Evans.

His views thus oppose the House Republican leadership, which wants to continue the act at its present level of 10 percent up to \$20,000. The governor's proposal for this session calls for the exemption to increase to 15 percent up to \$30,000.

"Furthermore," said Watkins, "I agree that the proposal should become automatic and not require property owners to apply for the exemption as was the case this year. Assessors should make the exemptions in effect on all property."

"It seems to me property owners pay enough as it is and this is a good way to give them relief. It might be the only relief they get this session."

Watkins also reported the committee is studying two other of his bills to eliminate 2 or 4 mills property tax from the present 20 mills.

He explained each mill raises about \$4 million and this is another way tax relief can be granted but he acknowledged it may receive less than enthusiastic support by the Legislature as the loss would need to be made up from the general fund.

Watkins also said he is sponsoring an Investment Tax Credit Law, adding "with demand for more general fund revenue, we need to broaden our tax base with the cleaning industries."

According to Watkins, the federal government offers a 10 percent investment tax credit in an effort to stimulate investment of capital expenditures.

"We spend millions of dollars to educate our young people," said Watkins, "and we should insure that they have a future in Idaho."

Watkins said he is working on legislation that would not affect the general fund until the next fiscal year and would provide for a 1 percent state investment tax credit.

"My approach is simple," said Watkins. "I do not know or anyone in these tight economics times who is not having a tough time making ends meet. Rather than raise general fund taxes, let's try to broaden our economic tax base. You can't keep asking the same taxpayers for more and more. Let's spread it out."

He explained the bill would provide for giving up to 3 percent of the amount up to 50 percent of the tax millage.

In other matters, Watkins said the Joint Finance Appropriation Committee, of which he is a member, has completed its hearings and is now ready to begin setting the 1982 fiscal year budget.

"I'm confident we can do a reasonably good job with the 12 percent increase," he said.

He noted the 12 percent hike is realized by increasing the budget from \$380 million for the current fiscal year to about \$423 million for the coming year.

"We won't satisfy the requests but I think we can do a good job with the money we have on hand," he said.

He said the public employee salary increase issues must be settled, noting there are differences between the 10 percent hike the House has passed in resolutions compared with the 7.5 percent backed by the Senate.

He also said the committee was advised last week \$1.5 million is needed at the State School at Nampa and money is also required to make up \$8.5 million lost in federal revenue sharing.

"My approach centers on the fact that if everybody compromises it will not hurt any particular agency of government or any program."

He said if education is given all it wants, then it would harm such programs as Child Development Centers, state employee salary increase, Lewis-Clark State College and others.

He noted the legislators will be concerned with a bare bones budget and there is certain to be no surpluses as have been the cases in recent years except for the current year.