State revenue lags trifle below forecast for 1984

By BEN J. PLASTINO
Post-Register political editor

BOISE — State revenue for the first two months of the 1984 fiscal year is slightly below expectations, the report of Martin L. Peterson, administrator of the Division of Financial Management, showed Friday.

The report showed $74.6 million has accrued, compared with the $75.9 million predicted.

The report is based on $497.4 million estimated to be received in fiscal year 1984. This includes $22.5 million in corporate income taxes, $194.8 million in sales taxes, $13.5 million in products taxes, and $37.7 million in miscellaneous taxes.

The amount predicted and accrued to date from the five revenue sources, respectively, includes personal income tax, $34.1 million and $37.5 million; corporate income, $1.3 million and minus $1.5 million; sales tax, $34.7 million and $33.8 million; products taxes, $2.5 million and $2.2 million; and miscellaneous, $3.4 million and $2.6 million.

The report noted "August general account collections were mixed. Individual income tax collections were somewhat higher than expected. Corporate income tax collections were positive in August but the accrued-to-date figure remains negative due to the large number of refunds issued in July.

"Despite the doubling of housing starts over a year ago and increases in Idaho employment, the general sales and use tax collections are scarcely within the range of expectations.

"July sales tax collections were 10 percent higher in August than in July, perhaps indicating that Idaho retail sales are beginning to follow the recent national trend of substantial growth. Total general account revenue collections are within the target range."

Peterson noted the recently published Idaho Economic Forecast projected that total nonagriculture employment will rise 2.28 percent in 1983, 3.78 percent in 1984, and 3.1 percent in 1985. The pre-recession peak in employment will not be surpassed until late 1983, he forecast.

"The industries which high interest rates mostly severely injure — lumber and wood products, constructon and mining — will show the largest gains in employment," said the report. "Yet, these interest-sensitive industries may not regain their peak levels of employment during the next five years due to the high real rates of interest expected to prevail throughout the period."