Sales tax hike tops I.F. hearing

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Demands to increase the sales tax to as much as 5 cents to beef up education funding were heard from educators at a state budget hearing here Wednesday afternoon.

They not only urged the 1.5 cent sales tax invoked in 1983 for a year be retained but that it be hiked by another half cent. The 1983 Legislature imposed a 1.5 cent tax increase to the original 3 cents but it is to terminate June 30, 1984, unless extended.

The removal of sales tax exemptions was also discussed but after the smoke had cleared most agreed this faces a difficult road as most exemptions were imposed by special interest groups and are difficult to eliminate.

Idaho Falls businessman Alex Creek contended removal of the sales tax exemptions would raise about $200 million but Sens. Mark G. Ricks, R-Rexburg, Senate majority leader, and Vearl Crystal, R-Rigby, both members of the Joint Finance-

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Appropriation Committee, said past efforts along this line had proved fruitless.

They pointed out special Legislative committees have studied this in the past but after lengthy discussions could not come up with any proposals.

"One of the committees could only suggest sales tax on yard or garage sales but this would be almost impossible to enforce and was given up," said Crystal.

A third legislator at the meeting, Sen. Dane Watkins, R-Idaho Falls, said it was even more imperative the exemptions continue for the INEL contractors in view of the fact the site was given top priority for the proposed multi-billion New Production Reactor.

Both Watkins and Crystal pointed out the INEL does not have a blanket exemption as the Department of Energy pays on the basis of $93 yearly per each INEL workers, raising about $600,000 annually.

Creek noted the Division of Commerce and Industry, of which he is the advisory board chairman, will allocate $7 million to help provide new jobs in Idaho.

At the three-hour hearing at the City Council Chambers, Martin L. Peterson, administrator, and Larry Schlicht, deputy administrator, heard about a dozen eastern Idahoans testify. This hearing was one of eight to be held across the state.

John Christofferson, director of the Eastern Idaho Vocational-Technical School in Idaho Falls; Bert Nixon, superintendent of Firth School District; and Jim Smith, superintendent of Salmon District, urged the sales tax hike, contending most people have accepted it in lieu of property tax increases. All three said they had cut back on operations because of reduced funding to a point that it limits quality education.

Christofferson said because of the cutbacks EIVTS will reject about 1,000 applicants this year. He pointed out the school has placed 89 percent of its graduates on jobs.

Betty Lu Holland, of the Idaho Falls League of Women Voters, also cited need for more educational funding.

Pleas also were heard for funding the Commission of Arts to further Idaho's cultural, music and artistic programs.

Among those testifying were Alvin J. Nelson, president of Idaho Falls Opera Theatre; L. M. Rule, president of Idaho Falls Symphony, and Juliane Eberl, of the Idaho Falls Cultural Council.

Idaho Falls City Councilman Ralph Wood and Mayors Merrill Rose, St. Anthony, and Mayor Claude Tremelling, Rigby, the latter two also representing the Association of Idaho Cities, urged the state to allocate one-fourth or one-half cent of the sales tax to help financially-strapped cities. All contended cities have cut so far back they are not giving proper services to city citizens.

Wood said 67 percent of Idaho people live in cities.

Steven Richardson, who is nearly blind, urged funding for the Commission of Blind, saying these funds have enabled him and others like him to become almost self-supporting.

William Ptacek, Idaho Falls librarian, said libraries are an important supplement to schools and should be adequately maintained. He stressed the need for funding regional libraries to afford service to outlying East Idaho residents.

Ptacek thanked Ricks for helping in this funding last year but pointed out state appropriations were cut from $120,000 to $56,000 this year and likely will deprive many east Idahoans of library service.

Julie Hintze, of the Idaho Falls Friends of Library, echoed plea for library help, citing how the library brins art displays and furnishings varied cultural opportunities.

Peterson, who conducted the hearing, displayed charts to show the state's financial picture the coming year.

Ricks, Watkins and Crystal pointed out the Legislature was concerned in providing funds to meet a $70 million shortfall the current fiscal year.

Peterson said the fiscal year 1983 general account disposition showed revenues and expenditires balanced at $414.9 million.

He added the fiscal year 1984 general account projection anticipates $497.4 million in revenue while $480.8 million is expected in expenses, leaving a balance of $16.6 million.