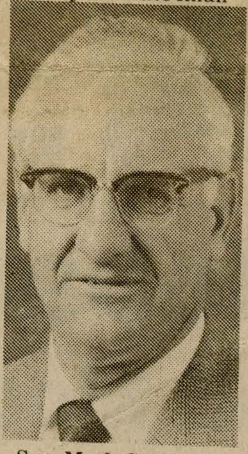
Ricks sees state problems

By BEN J. PLASTINO
Post-Register political edtor

BOISE — Sen. Mark G. Ricks, R-Rexburg, touted by many of his colleagues as the next Senate majority leader, said Tuesday the state financial problems the Legislature handled this year don't compare with what faces them in the coming year.


Sen. Mark G. Ricks

Ricks, easily re-elected to a third term, said a combination of state spending cuts ajd increase revenues will be needed to solve the problems.

"The state financial problems are much more severe this year," said Ricks.

Ricks suggested as one revenue-producing measure increasing the state sales tax from 3 to 4 cents on a temporary basis, with a sunset clause, to terminate the increase in a year or so.

"This could be in force until after the economy improves and the present tax base can provide the necessary financing," said Ricks.

Other possible income, he said, would be repealing some exemptions on the sales tax for services.

He also said there are no areas which are immune for spending cuts, except possibly the Department of Corrections which needs financial help to cope with prison upkeep.

"I think that even education may need to take a corresponding cut, along with other state agencies and services," said Ricks, also a member of the Joint Finance-Appropriation Committee.

Ricks noted that education accounts for 73 percent of the funding.

He also said the Department of Health and Welfare which gets some 14 percent of the state funding also may be due for further cuts along with the drastic ones ordered last year.

Regarding his own rumored elevation to leadership as either majority leader or assistant majority leader, he replied "I told them if the (Republican) caucus wanted me to serve, I would respond to them."

Under such a rumored movement, Senate Majority Leader James Risch, R-Boise, would replace Senate President Pro Tem Reed Budge, R-Boise.

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Statehouse sidelights

Income tax decrease worsens state finance

By BEN J. PLASTINO
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Because of a sharp drop in personal income tax, state finances continue to lag for the first quarter of the current 1983 fiscal year, it was shown Tuesday in a report from the governor's Division of Financial Management.

The report revealed personal income tax revenue reached only $57.6 million, well below the $63.6 million anticipated. Sales tax also totaled $36.1 million, under the $38 million predicted.

The other accounts were within expectation. This included miscellaneous, such as insurance premium payments and investment of idle state funds, of $16.1 million, compared with $18.1 million expected; products taxes, mostly cigarettes and liquor, reached the $3.4 million predicted; and corporate income tax of $6.3 million, above the $3.4 million anticipated.

The total accrued as of Nov. 1 was $120.4 million, compared with $127.4 predicted.

Estimated for fiscal year 1983 ending June 30 is $405 million, of which $224.6 million is in personal income, $17.8 million corporate, $105.4 million sales; $13.2 million products and $43 million miscellaneous.

Richard A. Slaughter, chief economist for the division, commented "Idaho's outlook is not particularly encouraging for the next several months as indicated by speakers at the recent Governor's Symposium on the Idaho Economy."

He pointed out several Idaho business representatives expressed caution in discussing prospects for the Idaho economy. The Idaho employment rate reached a record 11.1 percent in October, although the number included some large temporary layoffs, he said.

"Following a small year-over rise in September, receipts from the major tax sources fell again in October," said Slaughter. The fall was the combined result of a small gain in withholding, a small loss in sales tax and a $1.8 million reduction in corporate receipts, as corporate taxpayers filed for refunds on overpayments and loss carryback claims.

He noted there was a $3.5 million transfer from the Department of Health and Welfare to the miscellaneous category as mandated by the Legislature.

"Recent economic data shows the national economy still struggling to break out of the current recession," said Slaughter. "Low interest rates should aid housing affordability and allow some supply response to the strong demand for housing."