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The political pulse

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Legislative limelights

1984 budget dilemma compounded by veto

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The veto Friday by Gov. John V. Evans of educational funding cuts for the 1983 fiscal budget heaps more financial troubles on the beleaguered Idaho Legislature to solve the fiscal 1984 shortfall.

The consensus among such Republican leaders as Senate President Pro Tem Jim Risch, Boise; House Speaker Tom W. Stivers, Twin Falls, and Senate Finance Committee Chairman David Little, Emmett, indicates little interest in replacing this lost money with added revenue.

They feel they can get along with the reduction for the current fiscal year ending June 30 but the problems are multiplied for the 1984 fiscal year beginning July 1.

"We are going to do nothing about trying to replace this lost money," said Stivers.

It's the Republican leadership plan to let the \$10 million needed for the vetoed educational funding be replaced by a portion of the 1 percent sales tax increase. This, of course means, this is funding that was planned to help the anticipated 1984 shortfall which is figured at close to \$80 million.

Here again, there is a wide discrepancy in figures floating around the Legislature. Governor Evans said his \$464 million budget is a bare-bones one but the Republicans are using amounts far below this level.

Stivers and Little say they can only see \$405 million anticipated revenue and that's what the new budget will be.

State Rep. Steve Antone, R-Rupert, chairman of the House Revenue and Taxation Committee, is more optimistic. He thinks there will be enough funding available for a budget of between \$430 million and \$440 million.

House Majority Caucus Chairman Linden B. Bateman said the leadership is now mentioning a figure of \$413 million but others believe it may be slightly higher.

The key is the state of the economy. If it improves as the governor and many others believe, then the tight state financial picture will be alleviated. Yet, even at the best, it still looks like a bleak outlook at all levels, state, counties and cities.

There are many revenue-raising proposals suggested at the State Capitol in an effort to meet the shortfall.

The \$32 million in tax anticipation notes also will help erode the tax base for 1984 and future years.

There is talk the 1984 budget bill likely won't be submitted until the final day, just before adjournment, leaving the governor little alternative but to sign it, or face the traumatic experience of calling back the Legislature for a special session.

However, there should be plans considered that are best for the public. These include rescinding tax relief granted last year to business, such as the Job Credit Bill, Investment Credit Bill and corporate tax reductions. These are embodied in alternatives studied by a select committee under Rep. Rich Orme, R-St. Anthony, and should be considered seriously.

After all of the alternatives are discussed, most of the legislators agree that another 1-cent sales tax increase piled atop the present 1-cent hike is likely the more realistic solution. A 1-cent sale tax raises between \$40 million and \$50 million a year, depending on the economy. Legislators will need to face this tough question before this Legislature adjourns.