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Legislative limelights

Sales, income tax hikes possible

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Senate President Pro Tem Jim Risch, R-Boise, acknowledged Friday an income tax surcharge or one half sales tax increases may be needed to break the budgetary deadlock looming between the Republican controlled Legislature and Democrat Gov. John V. Evans.

He confirms what many others Republican legislative leaders have long suspected but have not spoken aloud in the frail hope they could settle for a \$440 million budget. This runs smack against Evans's recommendation of a \$474 million request but who has expressed a willingness to lower his sights to \$465 million, and perhaps a little lower.

This is the final piece of major legislation left to send the 105 lawmakers packing for home after what will be either the longest or second longest session in its history. Saturday is the 83rd day, the third longest and surpassed only by the record 89 in 1967 and 85 in 1980.

Risch, elevated to the top Senate post this year to replace the deposed Sen. Reed Budge, R-Soda Springs, said the legislative strategy is to pass the \$40,493,300 budget for gubernatorial action. If the governor rejects it, as expected, then the governor and Republican will seek a compromise that likely will settle midway between the two figures — around \$450 million.

"We are still short a few million dollars to meet the budget," Risch explained in a Post-Register telephone interview. "We have a number of revenue bills kicking around but I don't think it will be enough. These include the Job Credit repeal, Business Investment modification, corporate tax, loss carryback and a few others."

Risch noted the House Revenue and Taxation Committee can clear the income and sales tax increase in short time and they can be pushed through the Legislature in a single day if there is suspension of the rules to waive the three readings on separate days.

Risch said of the two proposals, he favors the income tax surcharge as it is easier to place on a temporary basis. He suggested a 10 percent surcharge if this is the case. He said the one half percent sales tax increase also could be made for one year but it is much more difficult to terminate once it has been placed on the books.

Either of these taxes could raise about \$25 million which would be enough to reach near the \$450 million budget figures.

Actually if the Legislature had slapped on a 2 percent sales tax increase at the start instead of a one center it would have had adequate money and been out of Boise by now. It has been engaged in "patch and scratch" income proposals during most of the session and these are still short of the budget.

The 2 per center at the start likely would have not raise any more of a ripple than did the 1 center.

The only other major piece of pending legislation is financing the unemployment compensation bill to make it solvent. The House and Senate have different versions that must be resolved and this likely will be done by reducing the benefits to the jobless and increasing the tax for the employers.

If these steps outlined by Risch are followed, it is highly probable the Legislature could adjourn sine die as early as Wednesday or more likely by the end of next week, Friday or maybe Saturday.