

• GOP legislators vow no more tax increases

Idaho Apr 20 1983
By BEN J. PLASTINOL

Post-Register political editor

All but three of the 75 Republican legislators signed a letter to Gov. John V. Evans vowing they would vote for no further tax increase, even if he should call a special session.

Those not signing the letter were Reps. Martin Trillhaase, R-Idaho Falls, who had left a day earlier than adjournment; Dan Kelley, R-Mountain Home, who agreed more school funding is needed; and Gene Winchester, R-Kuna, who said the budget was too high. All Republican senators and 48 of 51 representatives signed the letter.

The letter noted the 47th Legislature had increased revenue measures \$138,540,000.

These include the 1 cent sales tax increase and advanced quarterly payments \$69,250,000, half cent sales tax, \$27 million; unemployment tax increase \$12 million; compliance with IRS Code \$11 million; 2 cent gas tax \$9 million; corporate income tax \$3 million; limitation of interest deductions \$2,800,000, loss carry-back \$2,500,000, and modification of jobs credit \$2 million.

"During the last 95 days the 47th session has struggled with the largest budget woes in Idaho history," the letter said. "A stubborn national recession that has cut into tax revenues more deeply than most budget analysts have predicted has seriously affected the state of Idaho's basic industries. Timber, mining and agriculture are in deep recession. The revenues to this state have been drastically reduced."

Compounding the problem, the legislators said, they were faced with a Supreme Court decision that

reduced revenues or required tax refunds to banks at \$23.5 million.

"As you are aware," said the letter, "this is an increase in taxes over last year of 30 percent. Through our appropriations and legislative process, we have funded our state government and educational system to function at approximately the same levels as last year. These solutions may not provide all the funding for programs that would be desirable, nor do they provide relief from taxes during these economic times but these objections are a compromise representing the most equitable solutions possible."

The letter stated some of the accomplishments including the fiscal year 1983 shortfall problem that were solved rapidly and with relative harmony: state funding to public schools was maintained; total funding for college and universities was increased; and the Legislature was able to keep Idaho government in a sound position by maintaining the system of government and social structure strong and efficient for continued stability.

"These accomplishments are the result of three months of negotiating among the members of Legislature to arrive at a majority opinion," said the letter. "It has been a long and difficult process of compromise notwithstanding a record of 13 gubernatorial vetoes. We are submitting to you our legislative intent, resolving that further negotiations now or in the near future will be fruitless."

The letter then ended by saying the "members of the majority party firmly resolve that we shall not enact any further tax increases."