

Legislative limelights

Legislature may have overdone tax relief

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Sometimes the Idaho Legislature is inclined to emulate an imprudent wage earner — not paying his bills and spending for other things when he may not have the money.

This may be the case this year, when the Legislature on the final day approved two additional mills of tax relief from an anticipated 1979 surplus.

It's not that the Legislature didn't give ample tax relief — it did—but it was so anxious to do so to the limit that it may have gone overboard.

With this in mind, Gov. John V. Evans was likely justified in vetoing the \$4.8 million in tax relief.

Evans pointed out the state faces a budget deficit of more than \$664,000 next year. He added this came about because it appropriated too much money to state departments and property tax relief. Further, he added, there could be a \$6 million shortfall in meeting Medicaid expenses.

He thus justified his veto by declaring it could prevent

deficit spending, which is against the Idaho Constitution, and stop reductions in essential state department spending.

Evans also reflected his underlying reasons for the veto by commenting the Legislature had underfunded state employee pay raises, failed to enact certificate of need legislation and did not give enough money for health programs.

Even without the \$4.8 million relief from the two mills, the Legislature gave a hefty \$43,170,000 tax relief, for the largest in any session.

A report compiled by Lawrence C. Seale, administrator of the Division of Budget, Policy Planning and Coordination, indicates the 11 mills reduction — four from the county levy and seven from the school levy — will amount to \$26,170,000; and effects of freezing property tax budgets of local government to 1978 levels will save some \$17 million.

But added to this is \$12.3 million continuing from last year. This includes 4 mills, amounting to \$9.3 million, from

the property tax cut and \$3 million from the circuit breaker for senior citizens.

This would then bring the total tax relief to \$55,470,300, which is not exactly peanuts.

It took courage for the governor to veto a tax relief measure in these austere times, but it is better to do this than have the state face a possible deficit later. He is permitted to order 4 percent cutback, but this appears foolish when there is ample money.

The Legislators are chortling they gave ample funds for public schools, and indeed the appropriation of \$172.6 million is a 6.2 percent increase over this year. This looks fine, but a 9-10 percent inflation rate is more than offsetting this amount.

Already we see school districts scheduling override levies. Madison School District at Rexburg, Snake River and Idaho Falls District 91 already have slated override levies and many others are contemplating the same steps.

It makes one wonder what good purpose the 1 percent tax initiative has served.