

Get ready to bleed; here comes Dr. Bedke

Marty Trillhaase/Lewiston Tribune

Idaho's middle class has a bad case of the economic jitters.

Call in Dr. Scott Bedke.

There's just one rather glaring problem.

Dr. Bedke is a quack.

Only a quack would come up with Bedke's plan to bleed the middle class more - in order to ease the burdens of the rich.

Bedke, an Oakley Republican, is speaker of the Idaho House - one of the most powerful jobs in state government. So what he says goes. And Tuesday, here's what he said: Stick moderate-income Idahoans with a sales tax boost.

Then lower individual and corporate income tax rates.

Idaho is one of the few states that subjects the necessities of life to its sales tax. That became an embarrassment for a GOP political establishment that in 2006 eliminated the property tax corporations and well-to-do homeowners paid to support schools. They then shifted the burden of school support on to a sales tax increase, which falls disproportionately upon lower-income families and renters.

The following year, lawmakers began raising a tax credit meant to compensate people for sales tax they pay on groceries. A family of four earning less than \$25,000 now gets \$100 for every member of the household. The group making more than \$25,000 gets \$80 per head - and that's slated to reach \$100 in two years.

It's expensive. The credit costs almost \$140 million and is rising.

So Bedke wants to means-test the break. If you're at or near the poverty line, you'd still get it. But that leaves \$70 million to \$80 million that the speaker wants to funnel into tax cuts. Where has he been?

Ever since they came to power 20 years ago, Idaho Republicans have been on a tax-cutting binge.

They took out property tax support for schools.

The property tax farmers and most businesses pay on equipment is gone.

Thanks to cuts in 2000, 2001 and again in 2012, Idaho's top corporate and individual income tax rates haven't been this low since 1934.

In all, Idaho's GOP has cut taxes by \$475 million a year.

Idaho's overall tax burden is the 49th lowest in the nation - 31 percent below the national average.

That's why the share of Idaho's personal wealth devoted to public schools has slipped 25 percent.

That's why Idaho's per-pupil expenditure is ranked 50th out of 51.

It's why the price of higher education is being placed beyond the reach of ordinary Idaho families - and why this generation of young adults is less skilled than its predecessor.

Meanwhile, Idaho wages are in free fall. It has a higher proportion of minimum-wage jobs than anywhere else. Only Mississippi has a lower per capita income. During the last seven years, Idaho workers have lost two-thirds of the gains they made during previous the two decades.

In other words, ordinary Idahoans are choking on a low-skill, low-wage economy that feeds on poorly funded public schools and skyrocketing college tuition.

And what is Dr. Bedke's prescription?

More of the same.

He says lowering Idaho's top income tax rates from 7.4 percent to 6.95 percent will make the state more competitive in attracting industry and commerce.

Did he not read last summer's report from his own Office of Performance Evaluation?

Comparing tax rates without considering the breaks that lower the overall bill business pays is misleading.

Besides, tax rates won't attract a business to a state with lousy schools, crumbling infrastructure and a work force specializing in serving french fries.

"Tax policy changes that affect Idaho's ability to fund such programs might improve Idaho's competitiveness in the short term by reducing business tax burden, but decrease Idaho's competitiveness in the long term by eroding the quality of nontax factors," OPE said.

Like an 18th-century trained surgeon, Bedke knows what he knows.

So bite down on that bullet, middle class Idaho.

Here come the leeches. - M.T.

