

Roads bills chip away at shortfall in lieu of broad plan

By RYAN STRUYK, Associated Press

BOISE, Idaho (AP) — Idaho House lawmakers are slowly chipping away at addressing the state's transportation funding shortfall, providing the only solution thus far this session as legislative leaders struggle to gather support for a comprehensive transportation bill.

House committees have considered proposals that would provide up to \$40 million in combined funding and savings for Idaho's crumbling roads and bridges — still far short of the \$262 million annual shortfall. Another \$281 million per year is needed for improvements.

Republican Rep. Joe Palmer, who chairs the House Transportation and Defense Committee, said he doesn't think a comprehensive plan will pass this session, even though the multimillion dollar deficit has been clear to legislators since 2010.

"You're not going to see a big (bill) at this point," he told the Associated Press on Monday, while noting that things could change.

But Majority Caucus Chair Rep. John Vander Woude said he remains optimistic a sweeping plan will come together, and he's continuing to hold talks this week.

Vander Woude says he's hoping to raise the sales tax and eliminate the grocery tax to raise \$100 million to \$150 million. Instituting a flat tax, which was previously being considered, is no longer part of negotiations, he says.

Here's what's in progress so far:

—PUBLIC ROAD MATERIAL TAX EXEMPTION (HB95)

Currently, contractors that work on Idaho's roads must pay sales tax on materials, which increases the cost of road projects. The bill, which would exempt road materials from sales tax, is estimated to reduce \$15 million to \$20 million from transportation contracting projects each year. The measure needs to clear the Senate after surviving the House on a 43-26 vote.

—OUT-OF-STATE SALES TAX (HB145)

People from outside Idaho don't currently have to pay sales tax if they buy motor vehicles, trailers, snowmobiles and other off-road vehicles while in Idaho. This bill would limit that exemption only to people from states that don't impose a sales tax. The plan would raise roughly \$19 million for transportation each year. The House's Revenue and Taxation Committee is considering the bill.

—FUEL TAX CHANGE (HB132)

Idaho has a special permit for people who use fuels in gas form instead of liquid fuels that allows them to pay a flat annual fee instead of the equivalent fuel tax. The goal of this plan is to eliminate this permit and require them to pay a fuel tax based on the gasoline equivalent. It's estimated to raise about \$375,000 for transportation annually. The bill has only passed a House panel but still needs to clear the House and Senate floors.

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