

One more legislative task force collides with reality

Marty Trillhaase/Lewiston Tribune

Talk about futile missions.

The Idaho Legislature's public lands task force wrote the book.

Those task force members launched their enterprise with great fanfare. They were going to help compel the U.S. government to relinquish millions of acres held by the Forest Service and Bureau of Land Management.

Two years later, reality had prevailed. The federal and state constitutions wouldn't allow it. Idaho could never afford to manage those lands. Industry said these legislators were on the wrong track. And the public was against it.

All of which has just got to sound awfully familiar to those lawmakers now serving on the Tax Working Group.

After its secret study of Utah's flat income tax got exposed, the panel's public sessions have been inundated with unpleasant facts.

Key among them was outgoing Commerce Director Jeff Sayer's admonition that what ails Idaho's economy is not taxes - it's a low-wage, low-skill economy sputtering on an underfunded education system.

During the weekend, the Idaho Statesman's Bill Dentzer delivered even more bad news to would-be tax-cutters.

For one thing, there's not much to cut. The state's tax burden - and about 8.9 percent of income - is the 41st lowest in the country and the lowest in the West. (If you figure the tax burden on a per capita basis, the ranking falls all the way to 49th.)

Idaho's income tax burden is ranked 30th.

Property taxes are 38th.

Sales taxes come in at 28th.

Tax panel members got into this because they want to emulate Utah's 5 percent flat income tax. But Idaho is already taxing its citizens far less than the Beehive State taxes its people.

With a tax rate of about 9.6 percent, Utah is ranked 33rd in the country.

Dentzer also highlighted what Sayer already knows - there's nowhere left to go. On a per capita basis, Idaho's spending on state and local government is ranked 50th in the nation. (Utah's is ranked slightly better at 48th, but the state spends nearly 25 percent more per person.)

A huge factor is Idaho's per-pupil expenditures - also second to last in the country.

Driving this is a philosophy in

Boise that holds if you pull money out of government, and in Idaho, that means schools - the savings will trickle down and grow the economy. It hasn't happened.

Again, as Dentzer noted, Idaho's per capita earnings are 50th out of 51 (including the District of Columbia), with only Mississippi still behind.

Why hasn't it worked?

Ask an economist. The Spokesman-Review's Betsy Russell did. Here's what Idaho State University economist C. Scott Benson said: Cutting taxes has taken its toll on the state's ability to invest in the very things businesses and industries really need - skilled workers, infrastructure and public services.

"This mentality that we can keep starving government and have a thriving economy seems to fly in the face of everything we know about trying to prepare our young people for the jobs of the future," Benson said. "For a thriving economy, in a lot of ways, you need hope. That's not an economic term. You have to have some reasonable expectation that the future is going to create more wealth than we have now."

About the only shoe left to drop is ordinary Idahoans weighing in and telling this tax group it's on the wrong path.

That chance will come next year.

It's called an election. - M.T.