

# Is there something wrong with this picture?

**Marty Trillhaase/Lewiston Tribune**

For the sake of argument, let's assume down is up.

Black is white.

The latest installment of the Star Wars saga bombs at the box office.

And the Idaho Legislature really isn't all that jazzed about cutting taxes next year.

Such reticence would come with good reason. Even with an economic resurgence, the state can't afford yet another raid on its treasury if it intends to meet a multi-year \$350 million commitment toward public education funding.

Just the same, every legislative session ends with some member of the far right unveiling a last-minute package of lowered rates and new gimmicks.

Saying no will be hard on the eve of the closed GOP primary election - in which several incumbents will have to defend their support of this year's highway tax increase package.

How would you handle it?

Perhaps you'd start by assigning a Tax Working Group to compile the evidence.

Have the panel invite Commerce Director Jeff Sayer to make a presentation.

Which Sayer did. The outgoing commerce chief warned against cutting revenues that undermine the state's ability to upgrade its under-educated, low-skilled and underpaid workforce.

"We do need lower taxes someday (but) not today," Sayer warned. "The return for the state is not in lowering taxes, it's in investing in talent."

Then ask legislative staffers to project what these various tax plans would cost. Here's what they found:

- Reducing Idaho's top income tax rate from 7.4 percent to 7.3 percent involves a loss of \$20.7 million.
- Lifting the personal property taxes businesses pay on the first \$150,000 worth of equipment carries a \$4.4 million price tag.
- Move the personal property tax exemption up to anything worth \$250,000 or less, and the state would lose \$10.5 million in revenues.

- Eliminating the sales tax on food would take \$55.57 million from the public treasury. Of that, \$34.2 million would come from the state while cities, counties and other local governments would lose another \$21.37 million.

Now call in the Center for Fiscal Policy.

When Director Lauren Necochea spoke Tuesday, she outlined how these cuts would undermine something Idaho does fairly well - distributing the tax burden equally among rich and poor.

Said Necochea: People in the top 5 percent would get half of the income tax savings. Because low-income families benefit more from a \$100-per-person grocery tax credit, eliminating the sales tax on food actually would take money from their households and hand it over to higher-income families along with nonresidents visiting the state.

For all that, the state would lose money in the process.

Next bring in John Watts of the Idaho Chamber Alliance.

Also speaking Tuesday, Watts said business doesn't mind tax cuts, but in this instance it wants something that's well thought out and part of a long-range plan. Besides, Watts said, his group's priority this year is not paying less tax. It's improving Idaho's professional-technical education.

Finally, ask ordinary Idahoans what they think. The mainstream Associated Taxpayers of Idaho commissioned a poll to do just that. Released last week at the ATI's annual conference, it shows 70 percent think Idaho's tax system is fair. If anything, they believe it's already too generous to wealthy families and big corporations.

Asked to choose, 58 percent would leave tax rates unchanged and spend the money on education; only 30 percent want tax cuts.

As the Legislature's Tax Working Group was winding down Tuesday, Senate Local Government and Taxation Committee Chairman Jeff Siddoway, R-Terreton, reiterated his pledge to block any tax-busting measure until teacher salaries get an adequate boost.

"We all want to get our education funded properly," Siddoway said.

Siddoway's colleagues on the tax panel followed suit, wrapping up their work without endorsing any changes. In the end, what Sen. Steve Vick, R-Dalton Gardens, called "an education on some of the history and why tax policy is the way it is" made the case for tax cuts weaker, not stronger.

A happy accident or was this all part of some grand design?

Makes you wonder, doesn't it? - M.T.