Reform of Tax Structure to Gain Revenue (and reduce sales tax from 5% to 3%)

By: Robert C. Huntley & Richard A. Slaughter, Ph.D.

Table of Contents

Tab No.	Description:
1.	Exhibit 207 - Monies available for education and other purposes while reducing sales tax from 5% to 3% if certain exemptions are repealed from sales and/or income tax
2.	Exhibit 200 - Summary of School Funding Needs for facilities of $37.7 Million first year, $47.6 Million fifth year, and $55.1 Million tenth year
3.	Exhibit 201 - Estimated Bond Interest Support, SB 1474a and increased levels of support by raising floor to 25% and raising index/divisor to 1.25
4.	Exhibit 202 - Computation of ongoing annual maintenance requirements to prevent deterioration of buildings (3% standard and request that legislature fund 1/4 or 0.75%
5.	Exhibit 203 - Selected tax reductions or exemptions to sales and income tax (and transfers) enacted by Legislature between 1995 which reduce monies available in General Fund by more than $220 Million.
6.	Exhibit 204 - Summary of dollar value of exemptions and uses not taxed (page 1) and list of exemptions which might be considered for removal on pages 2 through 4..
7.	House Bill 302 of 1965 Session, listing original 17 exemptions to the Sales Tax
8.	Exhibit 205 - Table depicting shift in United States from **resource-based** economy toward **service-based** economy from 1960 to 1999 and depicting Idaho's economy at **58.4%** Services and **41.6%** Goods.

Funding Sources for Education

Exemptions have been added to the Sales Tax and the Income Tax over time that reduce revenue and frequently cause higher rates. By eliminating most of these exemptions Idaho can

1. Reduce the Sales Tax rate from 5% to 3%.
2. Retain the Income Tax rate reductions enacted by the 2000 and 2001 legislatures.
3. Gain up to $280 million ($160 m. Sales, $120 m. Income Tax) in new revenues to

   a) Make $55 million available for K-12 school facilities,

   b) Reduce property taxes in districts with school construction needs,

   c) Provide sufficient money to properly fund the operating budgets for public schools, universities, and health services, and

   d) Provide additional funds to further reduce income tax rates or property taxes.

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Case No. 94008
Exhibit No. 207
July 29, 2002

PLAINTIFF'S
EXHIBIT
207

9

Summary

		First Year	Fifth Year	Tenth Year
A.	Rennovation and Repair			
	SB 1474a, divisor 1.25, floor 25%	15,219,277	15,219,277	15,219,277
B.	Ongoing Issues for Growth and Other	2,478,169	12,390,846	19,825,353*
C.	Maintenance ($2002)	20,041,064	20,041,064	20,041,064
	Total	37,738,511	47,651,187	55,085,695

*Tenth year is eight times the first year, to reflect declining interest on amortized bonds.

PLAINTIFF'S EXHIBIT
200

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7/25/02

4

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	3	4	5	6	7	8	9	10	11
Dist	Name	Principal County	Market Value per Unit	2000 Co. Unemploy-ment	1999 Co. Per Capita Income	Index	Divisor 1.0 Floor 10%	Divisor 1.25 Floor 10%	Divisor 1.25 Floor 25%	Remaining Need, 2000
1	Boise	Ada	8,397,465	3.0	31,420	1.59	10%	10%	25%	33,076,937
2	Meridian	Ada	4,012,993	3.0	31,420	1.15	10%	26%	26%	71,284,789
3	Kuna	Ada	2,811,975	3.0	31,420	1.03	10%	56%	56%	10,668,395
11	Meadows Valley	Adams	7,548,920	13.0	18,212	1.05	10%	54%	54%	1,795,810
13	Council	Adams	3,993,093	13.0	18,212	0.69	80%	100%	100%	2,579,206
21	Marsh Valley	Bannock	2,972,134	5.0	20,252	0.76	62%	100%	100%	4,918,407
25	Pocatello	Bannock	3,298,111	5.0	20,252	0.80	54%	100%	100%	12,332,182
33	Bear Lake	Bear Lake	3,138,837	5.8	15,647	0.70	80%	100%	100%	3,499,831
41	St. Maries	Benewah	5,624,059	12.4	19,064	0.87	36%	100%	100%	4,231,763
44	Plummer/Worley	Benewah	9,737,830	12.4	19,064	1.28	10%	10%	25%	4,009,383
52	Snake River	Bingham	2,173,020	4.6	17,621	0.68	85%	100%	100%	3,485,891
55	Blackfoot	Bingham	2,095,631	4.6	17,621	0.67	87%	100%	100%	6,602,394
58	Aberdeen	Bingham	3,409,315	4.6	17,621	0.80	54%	100%	100%	2,755,124
59	Firth	Bingham	2,316,185	4.6	17,621	0.69	82%	100%	100%	1,659,565
60	Shelley	Bingham	2,102,320	4.6	17,621	0.67	87%	100%	100%	6,028,344
61	Blaine	Blaine	32,830,922	3.3	41,259	4.10	10%	10%	25%	881,331
71	Garden Valley	Boise	7,129,941	7.1	21,492	1.12	10%	36%	36%	3,574,549
72	Basin	Boise	5,966,321	7.1	21,492	1.00	10%	64%	64%	5,796,667
73	Horseshoe Bend	Boise	3,380,126	7.1	21,492	0.74	67%	100%	100%	1,983,482
83	West Bonner	Bonner	9,820,917	9.0	18,955	1.32	10%	10%	25%	22,156,610
84	Lake Pend Oreille	Bonner	9,989,633	9.0	18,955	1.34	10%	10%	25%	0
91	Idaho Falls	Bonneville	3,353,985	3.4	22,408	0.94	18%	82%	82%	25,561,819
92	Swan Valley Elem.	Bonneville	16,003,766	3.4	22,408	2.20	10%	10%	25%	1,217,780
93	Bonneville	Bonneville	2,181,439	3.4	22,408	0.82	46%	100%	100%	22,262,469
101	Boundary	Boundary	6,519,919	8.6	17,410	0.98	10%	69%	69%	8,979,422
111	Butte County	Butte	3,003,242	3.7	19,376	0.84	41%	100%	100%	4,770,439
121	Camas	Camas	6,311,818	4.0	21,585	1.17	10%	21%	25%	2,653,200
131	Nampa	Canyon	3,727,037	4.5	18,271	0.84	41%	100%	100%	28,239,439
132	Caldwell	Canyon	2,934,891	4.5	18,271	0.76	62%	100%	100%	8,675,195
133	Wilder	Canyon	3,803,933	4.5	18,271	0.85	39%	100%	100%	4,733,230
134	Middleton	Canyon	2,722,922	4.5	18,271	0.74	67%	100%	100%	7,622,780
135	Notus	Canyon	2,480,343	4.5	18,271	0.72	74%	100%	100%	4,684,580

tabbies
PLAINTIFF'S EXHIBIT
201

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ISEEO
Case no. 94008
Exhibit No. 201
Page 1 of 8
7/24/02

EXHIBIT
Slaughter
201

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	12	13	14	15	16
Dist	Name	SB 1474a	Div. 1.25, Floor 10%	Div. 1.25, Floor 25%	% of Bonds Issued for Growth	First Year Interest on Growth, Etc. bonds
1	Boise	1,984,616	1,984,616	4,961,541	9.2%	80,566
2	Meridian	4,277,087	10,981,520	10,981,520	11.1%	100,042
3	Kuna	640,104	3,615,658	3,615,658	1.0%	19,237
11	Meadows Valley	107,749	580,959	580,959	0.0%	0
13	Council	1,231,724	1,547,524	1,547,524	0.0%	0
21	Marsh Valley	1,818,450	2,951,044	2,951,044	0.3%	8,789
25	Pocatello	3,989,558	7,399,309	7,399,309	5.8%	201,414
33	Bear Lake	1,671,377	2,099,898	2,099,898	0.0%	0
41	St. Maries	912,673	2,539,058	2,539,058	0.0%	0
44	Plummer/Worley	240,563	240,563	601,407	0.0%	0
52	Snake River	1,772,121	2,091,535	2,091,535	1.1%	39,294
55	Blackfoot	3,458,167	3,961,437	3,961,437	1.7%	60,864
58	Aberdeen	891,304	1,653,074	1,653,074	0.0%	0
59	Firth	818,106	995,739	995,739	0.6%	21,936
60	Shelley	3,157,494	3,617,006	3,617,006	0.0%	0
61	Blaine	52,880	52,880	132,200	3.5%	30,212
71	Garden Valley	214,473	770,930	770,930	0.0%	0
72	Basin	347,800	2,232,461	2,232,461	1.7%	37,563
73	Horseshoe Bend	794,451	1,190,089	1,190,089	0.2%	6,592
83	West Bonner	1,329,397	1,329,397	3,323,492	0.0%	0
84	Lake Pend Oreille	0	0	0		0
91	Idaho Falls	2,756,484	12,601,068	12,601,068	0.0%	0
92	Swan Valley Elem.	73,067	73,067	182,667	0.0%	0
93	Bonneville	6,173,216	13,357,482	13,357,482	0.0%	0
101	Boundary	538,765	3,734,890	3,734,890	0.0%	0
111	Butte County	1,175,828	2,862,263	2,862,263	0.9%	30,761
121	Camas	159,192	326,983	397,980	0.1%	906
131	Nampa	6,960,519	16,943,663	16,943,663	7.3%	255,613
132	Caldwell	3,207,422	5,205,117	5,205,117	4.0%	138,683
133	Wilder	1,093,741	2,839,938	2,839,938	0.0%	0
134	Middleton	3,053,179	4,573,668	4,573,668	0.4%	14,685
135	Notus	2,092,832	2,810,748	2,810,748	0.2%	6,592

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	3	4	5	6	7	8	9	10	11
Dist	Name	Principal County	Market Value per Unit	2000 Co. Unemploy-ment	1999 Co. Per Capita Income	Index	Divisor 1.0 Floor 10%	Divisor 1.25 Floor 10%	Divisor 1.25 Floor 25%	Remaining Need, 2000
136	Melba	Canyon	3,432,321	4.5	18,271	0.81	49%	100%	100%	3,394,582
137	Parma	Canyon	2,929,033	4.5	18,271	0.76	62%	100%	100%	6,204,123
139	Vallivue	Canyon	4,521,969	4.5	18,271	0.92	21%	85%	85%	3,192,111
148	Grace	Caribou	2,541,370	6.0	20,068	0.68	85%	100%	100%	2,545,527
149	North Gem	Caribou	5,187,861	6.0	20,068	0.94	15%	80%	80%	4,047,505
150	Soda Springs	Caribou	7,024,202	6.0	20,068	1.12	10%	33%	33%	2,521,368
151	Cassia	Cassia	3,203,040	6.2	21,170	0.75	67%	100%	100%	533,219
161	Clark	Clark	6,029,867	4.8	22,022	1.10	10%	41%	41%	3,000,250
171	Orofino	Clearwater	5,611,783	14.3	18,429	0.85	41%	100%	100%	12,105,232
181	Challis	Custer	9,510,164	7.1	23,087	1.37	10%	10%	25%	4,323,722
182	Mackay	Custer	3,994,598	7.1	23,087	0.82	46%	100%	100%	2,213,536
191	Prarie Elementary	Elmore	4,428,651	6.1	21,907	0.88	31%	95%	95%	135,517
192	Glenns Ferry	Elmore	4,846,416	6.1	21,907	0.92	21%	85%	85%	1,631,130
193	Mountain Home	Elmore	2,475,340	6.1	21,907	0.69	82%	100%	100%	11,667,392
201	Preston	Franklin	2,137,094	3.9	15,451	0.70	80%	100%	100%	9,522,386
202	West Side	Franklin	2,150,673	3.9	15,451	0.70	80%	100%	100%	1,302,152
215	Fremont	Fremont	5,520,505	7.0	15,670	0.90	28%	92%	92%	10,889,205
221	Emmett	Gem	3,234,030	5.8	18,078	0.73	69%	100%	100%	12,982,501
231	Gooding	Gooding	3,117,745	3.9	25,420	0.90	26%	90%	90%	736,348
232	Wendell	Gooding	3,257,291	3.9	25,420	0.92	23%	87%	87%	3,326,676
233	Hagerman	Gooding	4,090,410	3.9	25,420	1.00	10%	67%	67%	0
234	Bliss	Gooding	3,444,139	3.9	25,420	0.94	18%	82%	82%	2,614,456
241	Grangeville	Idaho	5,805,694	10.2	17,690	0.89	28%	92%	92%	9,111,127
242	Cottonwood	Idaho	3,703,868	10.2	17,690	0.68	82%	100%	100%	4,808,696
251	Jefferson	Jefferson	2,048,266	3.9	16,947	0.70	77%	100%	100%	12,230,760
252	Ririe	Jefferson	1,835,821	3.9	16,947	0.68	82%	100%	100%	2,899,690
253	West Jefferson	Jefferson	2,992,981	3.9	16,947	0.80	54%	100%	100%	2,271,427
261	Jerome	Jerome	3,887,931	4.5	23,434	0.92	23%	87%	87%	11,473,752
262	Valley	Jerome	3,434,310	4.5	23,434	0.87	33%	98%	98%	1,848,972
271	Coeur d'Alene	Kootenai	7,335,166	7.4	22,527	1.14	10%	28%	28%	38,850,401
272	Lakeland	Kootenai	5,048,552	7.4	22,527	0.92	23%	87%	87%	14,741,947
273	Post Falls	Kootenai	5,406,682	7.4	22,527	0.95	13%	77%	77%	16,418,812
274	Kootenai	Kootenai	11,241,025	7.4	22,527	1.53	10%	10%	25%	1,564,168

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	12	13	14	15	16
Dist	Name	SB 1474a	Div. 1.25, Floor 10%	Div. 1.25, Floor 25%	% of Bonds Issued for Growth	First Year Interest on Growth, Etc. bonds
136	Melba	993,586	2,036,749	2,036,749	0.0%	0
137	Parma	2,293,809	3,722,474	3,722,474	0.0%	0
139	Vallivue	393,399	1,622,772	1,622,772	7.3%	216,452
148	Grace	1,294,069	1,527,316	1,527,316	0.0%	0
149	North Gem	374,114	1,932,924	1,932,924	0.0%	0
150	Soda Springs	151,282	504,946	504,946	0.8%	9,045
151	Cassia	213,572	319,931	319,931	4.6%	160,399
161	Clark	180,015	739,508	739,508	0.0%	0
171	Orofino	2,983,724	7,263,139	7,263,139	0.0%	0
181	Challis	259,423	259,423	648,558	0.0%	0
182	Mackay	613,797	1,328,122	1,328,122	0.0%	0
191	Prarie Elementary	25,052	77,243	77,243	0.0%	0
192	Glenns Ferry	201,022	829,217	829,217	0.0%	0
193	Mountain Home	5,751,609	7,000,435	7,000,435	2.1%	73,242
201	Preston	4,547,504	5,713,432	5,713,432	0.0%	0
202	West Side	621,855	781,291	781,291	0.0%	0
215	Fremont	1,845,247	6,038,989	6,038,989	1.9%	60,589
221	Emmett	5,399,925	7,789,501	7,789,501	0.0%	0
231	Gooding	113,435	397,024	397,024	1.3%	40,050
232	Wendell	461,231	1,742,429	1,742,429	0.8%	24,488
233	Hagerman	0	0	0	0.7%	17,455
234	Bliss	281,932	1,288,834	1,288,834	0.0%	0
241	Grangeville	1,543,940	5,052,894	5,052,894	0.0%	0
242	Cottonwood	2,370,516	2,885,217	2,885,217	0.0%	0
251	Jefferson	5,652,497	7,338,456	7,338,456	0.0%	0
252	Ririe	1,429,444	1,739,814	1,739,814	0.0%	0
253	West Jefferson	734,824	1,362,856	1,362,856	0.5%	18,310
261	Jerome	1,590,793	6,009,661	6,009,661	0.8%	25,479
262	Valley	370,288	1,082,380	1,082,380	0.9%	30,727
271	Coeur d'Alene	2,331,024	6,583,454	6,583,454	3.5%	34,958
272	Lakeland	2,043,916	7,721,459	7,721,459	3.3%	100,381
273	Post Falls	1,264,670	7,588,022	7,588,022	4.8%	130,318
274	Kootenai	93,850	93,850	234,625	0.0%	0

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	3	4	5	6	7	8	9	10	11
Dist	Name	Principal County	Market Value per Unit	2000 Co. Unemploy-ment	1999 Co. Per Capita Income	Index	Divisor 1.0 Floor 10%	Divisor 1.25 Floor 10%	Divisor 1.25 Floor 25%	Remaining Need, 2000
281	Moscow	Latah	5,844,985	3.4	21,391	1.18	10%	21%	25%	8,726,464
282	Genesee	Latah	5,489,387	3.4	21,391	1.14	10%	28%	28%	1,031,850
283	Kendrick	Latah	4,134,944	3.4	21,391	1.01	10%	64%	64%	2,227,955
285	Potlatch	Latah	4,692,373	3.4	21,391	1.06	10%	49%	49%	4,255,569
288	Whitepine	Latah	6,142,242	3.4	21,391	1.21	10%	13%	25%	3,976,779
291	Salmon	Lemhi	5,867,942	9.0	18,886	0.93	21%	85%	85%	8,187,542
292	South Lemhi	Lemhi	3,680,214	9.0	18,886	0.71	77%	100%	100%	3,189,736
302	Nezperce	Lewis	6,039,370	7.7	19,074	0.97	10%	74%	74%	3,391,797
304	Kamiah	Lewis	3,943,574	7.7	19,074	0.76	62%	100%	100%	1,619,254
305	Highland	Lewis	6,873,632	7.7	19,074	1.05	10%	51%	51%	1,878,769
312	Shoshone	Lincoln	2,954,628	4.9	19,877	0.76	62%	100%	100%	1,449,567
314	Dietrich	Lincoln	1,728,159	4.9	19,877	0.64	95%	100%	100%	1,977,038
316	Richfield	Lincoln	2,868,907	4.9	19,877	0.75	64%	100%	100%	1,402,088
321	Madison	Madison	2,616,806	2.5	14,861	0.91	23%	87%	87%	11,219,614
322	Sugar-Salem	Madison	2,187,489	2.5	14,861	0.87	33%	98%	98%	4,980,589
331	Minidoka	Minidoka	3,624,292	7.2	16,955	0.72	74%	100%	100%	5,347,552
340	Lewiston	Nez Perce	7,297,354	4.2	24,519	1.29	10%	10%	25%	7,280,203
341	Lapwai	Nez Perce	3,180,866	4.2	24,519	0.88	33%	98%	98%	1,522,704
342	Culdesac	Nez Perce	2,606,776	4.2	24,519	0.82	49%	100%	100%	3,121,059
351	Oneida	Oneida	3,187,312	3.6	15,412	0.83	46%	100%	100%	3,680,612
363	Marsing	Owyhee	2,405,597	4.2	16,504	0.71	74%	100%	100%	4,484,884
364	Pleasant Valley Elem.	Owyhee	20,644,740	4.2	16,504	2.53	10%	10%	25%	107,572
365	Bruneau-Grand View	Owyhee	5,202,897	4.2	16,504	0.99	10%	67%	67%	1,917,516
370	Homedale	Owyhee	1,889,619	4.2	16,504	0.66	87%	100%	100%	2,735,946
371	Payette	Payette	2,492,990	6.9	18,128	0.62	98%	100%	100%	9,062,491
372	New Plymouth	Payette	2,447,258	6.9	18,128	0.62	100%	100%	100%	4,020,247
373	Fruitland	Payette	3,242,476	6.9	18,128	0.70	80%	100%	100%	3,013,156
381	American Falls	Power	7,848,299	7.0	18,027	1.15	10%	26%	26%	3,877,375
382	Rockland	Power	2,039,255	7.0	18,027	0.58	100%	100%	100%	2,918,022
383	Arbon Elementary	Power	11,089,231	7.0	18,027	1.48	10%	10%	25%	0
391	Kellogg	Shoshone	4,170,806	11.1	19,426	0.74	69%	100%	100%	0
392	Mullan	Shoshone	2,865,556	11.1	19,426	0.61	100%	100%	100%	2,888,904
393	Wallace	Shoshone	3,913,003	11.1	19,426	0.71	74%	100%	100%	7,109,492

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	12	13	14	15	16
Dist	Name	SB 1474a	Div. 1.25, Floor 10%	Div. 1.25, Floor 25%	% of Bonds Issued for Growth	First Year Interest on Growth, Etc. bonds
281	Moscow	523,588	1,075,459	1,308,970	0.0%	0
282	Genesee	61,911	174,854	174,854	0.0%	0
283	Kendrick	133,677	858,049	858,049	0.1%	3,291
285	Potlatch	255,334	1,245,595	1,245,595	0.0%	0
288	Whitepine	238,607	306,314	596,517	0.6%	4,834
291	Salmon	1,009,042	4,162,297	4,162,297	0.2%	7,105
292	South Lemhi	1,474,150	1,913,842	1,913,842	0.0%	0
302	Nezperce	209,004	1,515,282	1,515,282	0.0%	0
304	Kamiah	598,676	971,552	971,552	0.6%	21,057
305	Highland	112,726	578,854	578,854	0.0%	0
312	Shoshone	535,939	869,740	869,740	0.7%	24,719
314	Dietrich	1,126,892	1,186,223	1,186,223	0.0%	0
316	Richfield	539,984	841,253	841,253	0.1%	3,406
321	Madison	1,555,557	5,876,550	5,876,550	1.6%	47,953
322	Sugar-Salem	997,447	2,915,613	2,915,613	0.0%	0
331	Minidoka	2,369,014	3,208,531	3,208,531	0.0%	0
340	Lewiston	436,812	436,812	1,092,031	0.0%	0
341	Lapwai	304,947	891,384	891,384	0.0%	0
342	Culdesac	913,527	1,872,636	1,872,636	0.0%	0
351	Oneida	1,020,606	2,208,367	2,208,367	0.8%	28,198
363	Marsing	2,003,617	2,690,930	2,690,930	0.6%	19,409
364	Pleasant Valley Elem.	6,454	6,454	16,136	0.0%	0
365	Bruneau-Grand View	115,051	768,030	768,030	0.5%	12,321
370	Homedale	1,433,020	1,641,568	1,641,568	0.9%	31,494
371	Payette	5,305,139	5,437,495	5,437,495	0.0%	0
372	New Plymouth	2,412,148	2,412,148	2,412,148	0.0%	0
373	Fruitland	1,438,961	1,807,893	1,807,893	1.2%	41,748
381	American Falls	232,642	597,315	597,315	0.0%	0
382	Rockland	1,750,813	1,750,813	1,750,813	0.2%	8,240
383	Arbon Elementary	0	0	0	0.0%	66
391	Kellogg	0	0	0	1.4%	48,339
392	Mullan	1,733,342	1,733,342	1,733,342	0.0%	0
393	Wallace	3,176,159	4,265,695	4,265,695	0.0%	0

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	3	4	5	6	7	8	9	10	11
Dist	Name	Principal County	Market Value per Unit	2000 Co. Unemploy-ment	1999 Co. Per Capita Income	Index	Divisor 1.0 Floor 10%	Divisor 1.25 Floor 10%	Divisor 1.25 Floor 25%	Remaining Need, 2000
394	Avery Elementary	Shoshone	58,930,714	11.1	19,426	6.20	10%	10%	25%	238,534
401	Teton	Teton	6,182,709	3.1	15,020	1.18	10%	21%	25%	4,846,982
411	Twin Falls	Twin Falls	4,647,478	4.4	21,322	0.97	10%	72%	72%	6,146,608
412	Buhl	Twin Falls	4,860,096	4.4	21,322	1.00	10%	67%	67%	6,561,974
413	Filer	Twin Falls	3,050,618	4.4	21,322	0.82	49%	100%	100%	7,421,168
414	Kimberly	Twin Falls	2,196,391	4.4	21,322	0.73	69%	100%	100%	7,249,219
415	Hansen	Twin Falls	3,020,014	4.4	21,322	0.81	49%	100%	100%	850,655
416	Three Creek Elem.	Twin Falls	6,154,197	4.4	21,322	1.13	10%	33%	33%	154,090
417	Castleford	Twin Falls	3,471,453	4.4	21,322	0.86	39%	100%	100%	2,397,028
418	Murtaugh	Twin Falls	4,336,540	4.4	21,322	0.94	15%	80%	80%	719,729
421	McCall-Donnelly	Valley	19,160,847	7.8	24,390	2.33	10%	10%	25%	180,210
422	Cascade	Valley	10,602,939	7.8	24,390	1.48	10%	10%	25%	1,672,334
431	Weiser	Washington	3,370,636	8.6	16,075	0.65	90%	100%	100%	4,491,591
432	Cambridge	Washington	5,133,923	8.6	16,075	0.83	44%	100%	100%	3,036,213
433	Midvale	Washington	5,884,904	8.6	16,075	0.91	26%	90%	90%	2,512,347
State Average			5,013,932	4.9	22,871					708,910,733
Number of Districts Supported 100% of Interest Cost							3	55	55	
Number of Districts Supported higher than floor level							76	99	95	

Source: Legislative Services Office, SB 1474a

Estimated Bond Interest Support, SB 1474a and Alternatives

1	2	12	13	14	15	16
Dist	Name	SB 1474a	Div. 1.25, Floor 10%	Div. 1.25, Floor 25%	% of Bonds Issued for Growth	First Year Interest on Growth, Etc. bonds
394	Avery Elementary	14,312	14,312	35,780	0.0%	0
401	Teton	290,819	597,347	727,047	1.5%	12,817
411	Twin Falls	368,796	2,651,302	2,651,302	2.1%	51,864
412	Buhl	393,718	2,628,291	2,628,291	0.0%	0
413	Filer	2,172,158	4,452,701	4,452,701	1.2%	40,429
414	Kimberly	3,015,231	4,349,532	4,349,532	0.0%	0
415	Hansen	246,985	510,393	510,393	0.5%	17,944
416	Three Creek Elem.	9,245	30,859	30,859	0.0%	0
417	Castleford	553,898	1,438,217	1,438,217	0.2%	8,057
418	Murtaugh	66,525	343,713	343,713	0.4%	10,785
421	McCall-Donnelly	10,813	10,813	27,032	1.3%	11,169
422	Cascade	100,340	100,340	250,850	0.4%	3,296
431	Weiser	2,421,775	2,694,955	2,694,955	0.7%	23,987
432	Cambridge	795,146	1,821,728	1,821,728	0.0%	0
433	Midvale	387,031	1,354,607	1,354,607	0.0%	0
State Average		150,313,283	296,757,347	304,385,548		
Number of Districts Supported 100		7,515,664	14,837,867	15,219,277		2,478,169
Number of Districts Supported higl						
Source: Legislative Services Offic						

Support for Ongoing Maintenance

Total Square Footage	31,000,000
Cost, Est. 2001, sq. foot	$86.20
Total Value	$2,672,141,875
Annual Maintenance Requirement, @ 3.0%	$80,164,256
Actual Expenditure (1999, adj) *	$39,140,495
Remaining need	$41,023,762
Support @ 0.75%	$20,041,064
Unmet Need	$20,982,698

* M&O 100, 200 Maintenance + Capital Assets Program
Adjusted for inflation to 2001, @ 3.0%

$20 million would fill about half of the gap between current expenditures and recommended maintenance levels.

Dide

PLAINTIFF'S EXHIBIT
202

EXHIBIT
Slaughter
202

Richard A. Slaughter, Ph.D.
ISEEO
Case No. 94008
Exhibit No. 202
7/24/02

3

Selected Tax Reductions 1995 - 2002

Year	Tax	Nature of Reduction	Value 2002 ($ millions)	Source	Note
1995	Sales	Substitute for property levy in school budgets	$70.0	FY 2003 GA Revenue Book (DFM)	1
2000	Income	Eliminate "marriage penalty"	$12.0	FY 2003 GA Revenue Book (DFM)	
	income	Index brackets	$44.0	RAS estimate; impact compounds at CPI	
2000	Sales Tax New Exemptions				
		American Heart Association			
		Idaho Diabetes youth Programs			
		Idaho Special Olympics			
		Idaho Women's and Children's Alliance			
2001	Income	Reduce rates	$58.4	Associated Taxpayers of Idaho	
	Corp. Income	Reduce rates	$6.8	Associated Taxpayers of Idaho	
	Income/Corp	R&D Credit	$7.0	Associated Taxpayers of Idaho	
	Income/Corp	County investment credit, add to ITC	$7.2	Associated Taxpayers of Idaho	
	Income/Corp	Broadband investment credit, add to ITC	$3.5	Associated Taxpayers of Idaho	
	Property	Agricultural equipment exemption	$12.4	Associated Taxpayers of Idaho	2
	Income	Health insurance deduction	$4.5	Associated Taxpayers of Idaho	
2001	Total ongoing value estimate, 2001 reductions:		$98.2	Associated Taxpayers of Idaho	
2002	Sales Tax New Exemptions				
		Volunteer fire departments and EMS			
		Family Service Alliance			
		Senior Citizen Centers			
		Livestock sales			

Notes

1 Incorporated into General Account appropriation for FY 1999 and later
2 Agricultural equipment is now exempt from both the sales tax and personal property tax

Src: Associated Taxpayers of Idaho, April 2002 and Tax Relief Summery April 9, 2001
Division of Financial Management, General Account Revenue, FY 2003

PLAINTIFF'S EXHIBIT
203

EXHIBIT
Slaughter
203

Richard A. Slaughter, Ph.D.
ISEEO
Case no. 94008
Exhibit No. 203
7/24/02

5

Summary of Exemptions and Uses not Taxed

	Tax Collections	Tax Base	
Sales Tax			
Current collection	$800,000,000	$16,000,000,000	
Remove exemptions	$799,597,000	$15,991,940,000	
Collection @ 5% rate	$1,599,597,000	$31,991,940,000	
Collection @ 3% rate	$959,758,200	$31,991,940,000	
Gain @ 5%	$799,597,000		
Gain @ 3%	$159,758,200		
Income Tax	$120,891,000		
Total Potential Gain			
Sales Tax @ 5.0%	$920,488,000	(Income tax plus sales tax @ 5.0%)	
Sales Tax @ 3.0%	$280,649,200	(Income Tax plus sales tax @ 3.0%)	

7

8

PLAINTIFF'S EXHIBIT
204

6

Idaho Tax Expenditures and Exemptions

($ thousands)

Income Tax Expenditures (Calendar Year Basis)

		Total Estimate	Recoverable Estimate
		CY2003	
Uses of Income Not Taxed			
1.01	Investment Tax Credit	$29,747	$29,747
1.02	Other States Tax Credit	31,594	0
1.03	Elderly Dependent Credit	349	349
1.04	Youth & Rehab Credit	5,364	5,364
1.05	Schools & Libraries Credit	3,448	3,448
1.06	Grocery Credit	24,657	0
1.07	Recycled Products Credit	25	25
1.08	Technological Equipment Deduction	84	84
1.09	Long-term Care Insurance	455	455
1.10	Alternative Energy Device Deduction	296	296
1.11	Insulation Deduction	495	495
1.12	Workers' Comp. Premium Deduction	400	400
1.13	Child Care Deduction	3,037	3,037
1.14	College Saving Deduction	377	377
1.15	Health Insurance Deduction	5,900	5,900
1.16	Elderly & Dev. Dis. Deduction	9	9
1.17	Adoption Expenses Deduction	43	43
1.18	Medical Savings Accounts	1,324	1,324
1.19	New Employees Credit	115	115
1.20	Riparian Land Improvements	250	250
1.20a	Broadband Investment Credit	3,500	3,500
1.20b	County Incentive Investment Tax Credit	0	0
1.20c	Research & Development Credit	7,000	7,000
	Total	$118,469	$62,218
Sources of Income Not Taxed			
1.21	Capital Gains Exclusion	14,065	14,065
1.22	Government Interest Exclusion	5,764	0
1.23	Social Security Exclusion	23,783	23,783
1.24	Railroad Retirement Exlusion	4,644	4,644
1.25	Retirement Benefit Exclusion		0
1.26	Idaho Lottery Winnings Exclusion	4,183	4,183
1.27	Indian Earnings on Reservation Exclusion	387	0
1.28	World War II Reparations Exclusion	0	0
1.29	Marriage Penalty	11,998	11,998
	Total	$64,824	$58,673
	Total income Tax	**$183,293**	**$120,891**

Sales Tax Expenditures (Fiscal Year Basis)

($thousands)

		Total Estimate	Recoverable Estimate
Specific Uses Not Taxed		**FY2003**	
2.01	Production Exemption Equipment	$58,483	$0
2.02	Production Exemption Supplies	44,272	0
2.03	Irrigation Equipment & Supplies	2,616	2,616
2.04	Pollution Control Equipment	3,142	3,142
2.05	Broadcast Equipment	1,615	1,615
2.06	Publication Equipment	104	104
2.07	Commercial Aircraft	1,575	1,575
2.08	Railroad Rolling Stock & Remanufacturing	2,125	2,125
2.09	Interstate Trucks	5,094	0
2.10	Out-of-State Contracts	2,691	0
2.11	Trade-in Value	21,746	21,746
2.12	Sales of Businesses or Business Assets	1,277	0
2.13	Food Stamps/WIC	3,156	0
2.14	Motor Vehicles used Outside of Idaho	12,146	0
2.15	Common Carrier Purchases & Out-of-State Sales	NA	0
2.16	Donation of Real Property to Idaho Gov't	3	0
2.17	Incidental Sales of Tangible Personal Property	10	0
2.18	Lodging, Eating, & Drinking Places	47	47
2.19	School Lunches & Senior Meals	2,141	2,141
2.20	Driver's Education Automobiles	32	32
2.21	Ski Lifts and Snowgrooming Equipment	501	501
2.21a	Clean Rooms	400	400
	Total	$163,176	$59,188

Sales Tax Exemptions (Fixcal Year Basis)

Goods Not Taxed		**FY2003**	
2.22	Motor Fuels	$49,344	$0
2.23	Heating Materials	2,658	2,658
2.24	Utility Sales	48,233	48,233
2.25	Used Mobile Homes	2,300	2,300
2.26	Vending Machines & Amusement Devices	0	0
2.27	Prescriptions & Durable Medical Equipment	14,159	14,159
2.28	Funeral Caskets	837	837
2.29	Containers	22	22
2.30	Nonprofit Literature	93	93
2.31	Official Documents	46	46
2.32	Precious Metal Bullion	465	0
2.33	New Manufactured Homes & Modular Buildings	1,600	1,600
2.34	Telecommunications Equipment	602	602
	Total	$120,359	$70,550

Services Not Taxed			
2.35	Construction	88,789	88,789
2.36	Agricultural & Industrial Services	4,971	4,971
2.37	Transportation Services	13,634	13,634
2.38	Communications	26,068	26,068
2.39	Repairs	28,855	28,855
2.40	Professional Services	163,153	163,153
2.41	Business Services	33,885	33,885
2.42	Personal Services	9,569	9,569
2.43	Health & Medical Services	170,233	170,233
2.44	Social Services	50,370	50,370
2.45	Educational Services	13,477	13,477
2.46	Lottery & Pari-Mutuel Betting	6,576	6,576
2.47	Media Measurement Services	45	45
2.48	Miscellaneous Services	12,003	12,003
	Total	$621,628	$621,628
SpecificEntities Not Taxed			
2.49	Educational Institution Purchases	5,318	5,318
2.50	Hospital Purchases	12,715	12,715
2.51	Health Entity Purchases	230	230
2.52	Canal Company Purchases	706	706
2.53	Forest Protective Associations Purchases	31	31
2.54	Food Bank Purchases	167	167
2.55	Nonsale Clothiers	1	1
2.56	Centers for Independent Living	3	3
2.57	Idaho State & Local Government Purchases	18,795	18,795
2.58	Ronald McDonald House Rooms	1	1
2.59	INEEL R&D Purchases	3,299	3,299
2.60	Motor Vehicle Purchases by Related Parties	1,425	1,425
2.61	Sales by 4H & FFA Clubs	23	23
2.62	Sales by Non-Retailers (Yard & Occasional	1,906	0
2.63	Sales by Indian Tribes on Reservations	3,042	3,042
2.64	Sales of Meals by Churches to	8	0
2.65	Sales by Outfitters & Guides	13	13
2.66	Sales through Vending Machines	1,515	1,515
2.67	Auto Manufacturers' Rebates	470	470
2.68	Incidential Sales of Churches	477	477
2.69	Federal Excise Tax Imposed at Retail	NA	0
2.70	Constitutionally Prohibited	NA	0
2.71	Statutorilly Prohibited	NA	0
	Total	$50,145	$48,231
Total Sales Tax		$955,308	$799,597
Grand Total		$1,138,601	$920,488

Source: Division of Financial Management: General Fund Revenue Book, FY 2003

Richard A. Slaughter, Ph.D.
ISEEO
Case No. 94008
Exhibit No. 204

addition to the money appropriated by Senate Bill No. 230, or so much thereof as may be necessary, for the purpose of initiating and conducting a program of industrial development for the State of Idaho for the period commencing July 1, 1965 and ending June 30, 1967; and subject to the provisions of the Standard Appropriations Act of 1945:

To Whom Appropriated:	Appropriation:
DEPARTMENT OF COMMERCE AND DEVELOPMENT FOR A PROGRAM OF INDUSTRIAL DEVELOPMENT	
For: Lump Sum	$60,000
From the General Fund	$60,000

Approved March 26, 1965.

CHAPTER 200
(H. B. No. 302)

AN ACT

AMENDING HOUSE BILL NUMBER 222 OF THE THIRTY-EIGHTH REGULAR SESSION OF THE LEGISLATURE OF THE STATE OF IDAHO, THE IDAHO SALES TAX, BY AMENDING SECTION 22 OF SAID BILL TO RESTATE EXEMPTIONS FOR MOTOR FUELS, MOTOR VEHICLES SOLD FOR USE OUTSIDE THE STATE, PROPERTY USED IN THE PRODUCTION OF TANGIBLE PERSONAL PROPERTY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 22 of House Bill 222 of this Thirty-Eighth Session of the Legislature of the State of Idaho, be, and the same is hereby amended to read as follows:

SECTION 22. EXEMPTIONS.—There are exempted from the taxes imposed by this act the following:

(a) The sale at retail, storage, use, or other consumption of tangible personal property which this state is prohibited from taxing under the Constitution of the United States.

(b) The sale of tangible personal property to resident contractors for subsequent incorporation into real property

outside this state in the performance of a contract to improve the out-of-state realty unless this provision would result in subjection of said property to a use or similar excise tax in another state.

(c) Purchases which are subject to the Motor Fuels Tax imposed by Title 49, Chapter 12, Idaho Code, as amended. ~~provided that the use of any such fuel upon which a refund of the Motor Fuels Tax has been obtained shall be subject to the taxes imposed by this act.~~ *and motor fuels subject to tax under Table "B" of Section 49-127 (d) (6) (2), Idaho Code.*

(d) Receipts from the sale, storage, use or other consumption in this state of tangible personal property which will enter into and become an ingredient or component part of tangible personal property manufactured, processed, mined, produced or fabricated for ultimate sale at retail within or without this state, and tangible personal property primarily and directly used or consumed in or during such manufacturing, processing, mining, farming, or fabricating operation, provided that the use or consumption of such tangible personal property is necessary or essential to the performance of such operation. Chemicals, catalysts, and other materials which are used for the purpose of producing or inducing a chemical or physical change or for removing impurities or otherwise placing a product in a more marketable condition are included within this exemption, as are other articles of tangible personal property used in the actual manufacturing, processing, mining, farming or fabricating operations. This exemption does not include machinery, equipment, materials and supplies used in a manner that is incidental to the manufacturing, processing, mining, farming or fabricating operation such as maintenance and janitorial equipment and supplies, and hand tools with a unit purchase price not in excess of $100.00; nor does it include tangible personal property used in any activities other than the actual manufacturing, processing, mining, farming or fabricating operation such as office equipment and supplies, equipment and supplies used in selling or distributing activities, in research, or in transportation activities; nor shall this exemption include motor vehicles required to be licensed by the laws of this state, without regard to the use to which such motor vehicles are put. *; nor shall this exemption include tangible personal property used or consumed in processing, producing or fabricating tangible personal property exempted from this act by subsections (f), (g), (j), and (n) of this section.*

(e) The sale or purchase of containers in the following categories:

1. Nonreturnable containers when sold without the contents to persons who place the contents in the container and sell the contents together with the container.

2. Containers when sold with the contents if the sales price of the contents is not required to be included in the measure of the taxes imposed by this act.

3. Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for filling.

(f) The sale or purchase of gas, electricity, and water when delivered to consumers.

(g) The sale or purchase of any matter used to produce heat by burning, including wood, coal, petroleum and gas.

(h) The sale or purchase of tangible personal property used for the performance of a contract on public works executed prior to the passage and approval of this act.

(i) The sale or purchase of tangible personal property used for the performance of a written contract entered into prior to the passage and approval of this act, but such exemption shall extend only until July 1, 1967.

(j) The sale or purchase, or the storage, use or other consumption of religious literature, pamphlets, periodicals, tracts and books published and sold by a bona fide church or religious denomination, no part of the net earnings of which inures to the benefit of any private individual or shareholder.

(k) The sale of meals by public or private schools under the Federal School Lunch Program and the sale of meals by a church to its members at a church function.

(l) Occasional sales by persons who are excluded from the definition of "retailer" by the provisions of Section 10 (c) of this act.

(m) The sale of articles through a coin-operated vending machine for a total consideration of ten cents ($.10) or less~~.~~ *and individual transactions involving a total sales price of less than thirteen cents ($.13).*

(n) Sales of liquor by the State Liquor Dispensary.

(o) The sale or purchase of tangible personal property shipped by the seller via the purchasing carrier under a bill of lading whether the freight is paid in advance, or the shipment is made freight charges collect, to a point outside this state if the property is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a common carrier.

(p) The sale or purchase of tangible personal property which is shipped to a point outside this state for use outside this state pursuant to a contract of sale by delivery by the vendor to such point by means of (1) facilities operated by the vendor, (2) delivery by the vendor to a carrier for shipment to a consignee at such point, or (3) delivery by the vendor to a customs broker or forwarding agent for shipment outside this state.

(q) Sales of motor vehicles and trailers for use outside of this state, even though delivery be made within this state, but only when (1) the vehicles or trailers will be taken from the point of delivery in this state directly to a point outside this state ~~under the authority of a one transit permit issued by the Commissioner of Law Enforcement pursuant to the provisions of Section 49-120, Idaho Code,~~ and (2) said motor vehicles and trailers will be registered and licensed immediately under the laws of another state, will not be used in this state more than three months, and will not be required to be registered and licensed under the laws of this state~~, provided, however, that no such exemption shall be allowed if the effect of such exemption is to immediately expose said tangible personal property to a use or similar tax in the state to which such property is to be taken~~.

(r) To prevent evasion of the sales and use tax, it shall be presumed that all articles are subject to the taxes imposed by this act and the retailer shall have the burden of establishing the facts giving rise to such exemption by clear and convincing evidence unless the purchaser delivers to the retailer an exemption certificate in such form as the Tax Collector may prescribe, signed by the purchaser and setting forth the reason for the claimed exemption.

(s) Any person who gives an exemption certificate with the intention of evading payment of the amount of the tax applicable to the transaction is guilty of a misdemeanor and punishable by a fine not exceeding $1,000 or imprisonment for not more than one (1) year or by both such fine and imprisonment.

Approved March 26, 1965.

Service and Goods Employment Ratios, Idaho and United States

Idaho	Apr-2002	
Idaho Economic Forecast	No.	%
Total Non-Farm employment	570,734	
Goods including trade	252,183	44.2%
Services exc. Retail Trade	318,551	55.8%

United States	1960		1999	
US Stat. Abstract, Table 717	No.	%	No.	%
Total Personal Expenditures ($B)	332		6,257	
Goods	196	59.0%	2,602	41.6%
Services	136	41.0%	3,656	58.4%

Source: Statistical Abstract of the U.S. 2000, Table No. 715
U.S. Bureau of Economic Analysis, *Survey of Current Business* , May 2000.
Division of Financial management, *Idaho Economic Forecast* , April 2002.

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ISEEO
Case No. 94008
Exhibit No. 205
7/28/02

PLAINTIFF'S EXHIBIT
205

7