

Our View: 'Local option' means looking at all tax options

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The Treasure Valley needs to build a full-service public transportation system — before the area population doubles, before gridlock tightens, before air pollution worsens.

Voters absolutely deserve the right to decide how much transit they're willing to pay for.

Local leaders have put considerable thought into how to pay for buses, trolleys and trains, and might well be right. A half-cent sales tax — if Ada and Canyon county voters sign on — could be the answer. But the sales tax is a heavily used revenue vehicle. Pinning all hope on the sales tax carries political risk, and threatens to keep needed transit systems stuck in neutral.

Idaho's local-option tax debate predates the lobbyists and the elected officials now engaged in the discussion. Cities and counties have long clamored for more taxing authority; legislators have long kept the clamps on their fellow elected officials. The latest installment will come in 2007, when the Boise Metro Chamber of Commerce and other transit supporters take the half-cent sales-tax plan to the Legislature.

But by then, the Coalition for Regional Public Transportation may have missed the bus. There's a chance lawmakers will meet in August and raise the sales tax to fund property-tax relief. And in November, Idaho voters will decide whether to tack on a penny of sales tax for schools. The 2007 Legislature could well convene with a state sales tax of up to 7 percent, not 5 percent. As if local option needs one more obstacle.

Ada County Commissioner and former legislator Fred Tilman, a Republican, believes timing could be a problem. "Certainly, it's getting to be a crowded field." But Boise Mayor and former legislator Dave Bieter, a Democrat, is encouraged to see Republicans such as Nampa Sen. Curt McKenzie supporting local option (a guest opinion from McKenzie appears on this page). "I see some interesting regional dynamics that I think are less partisan," Bieter said.

Transit backers looked at 10 to 15 different funding options, and set aside politics to seek the best source, said Kelli Fairless, executive director of Valley Regional Transit, which provides bus service in Ada and Canyon counties.

The group ruled out gas taxes or vehicle registration fees, which would require a state constitutional amendment, she said. Impact fees or "sin" taxes wouldn't raise enough money. Businesses balked at payroll or income taxes. A property tax on vehicles would collide headlong with public angst over property taxes in general.

Eventually, all roads led to a local sales tax. The sales tax has paid for transit systems in other states. It would raise the needed money — \$29.2 million in 2009, \$964.6 million over 20 years — to run 15-minute bus routes across much of the Valley, and cover bonds for rail-line acquisition or a Downtown Boise trolley. The sales tax is also relatively easy to collect, Fairless said.

There may be one more reason why the sales tax is the chic choice of the day. In May 2003, Idahoans barely squawked when the state raised the sales tax a penny to erase a deficit. They barely noticed 26 months later, when the sales tax returned to 5 percent.

The sales tax may be a Ginsu knife — handy for property tax relief, education or transit — but it's no precision instrument. It hits lower-income taxpayers harder, although, as Bieter notes, these same taxpayers may stand to benefit the most from public transit. The tax hits frills such as a Hummer and staples such as a loaf of bread at the same rate. And more than 70 sales exemptions clog the tax code; at about a \$1 billion a year, the state writes off more potential sales tax than it actually collects.

And within months, Idahoans could well be paying a 40 percent higher sales tax.

Local leaders should keep pushing to find money for public transportation, but they can't ignore political reality. The future of the sales tax is in flux. And if a possible sales tax increase flops at the Statehouse, supporters must have a plan B — because the need to get moving on transit won't wait.