REPORT OF THE

JOINT LEGISLATIVE

SALES TAX EXEMPTION TASK FORCE

2003 - 2004

February 9, 2004

(Includes analyses, testimonies and arguments to repeal or keep each sales and use tax exemption or exclusion that have been received through February, 2004)

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Joint Legislative Sales Tax Exemption Task Force

TO: Robert Geddes, President Pro Tempore of the Senate
Bruce Newcomb, Speaker of the House of Representatives

SUBJECT: Report on the Work of the Joint Legislative Sales Tax Exemption Task Force

In accordance with your request, we have performed a limited examination of Idaho's sales and use tax structure. Our examination consisted of identifying each exemption and exclusion and taking public comment.

We have held three public meetings and have made available our minutes and this report to the public on the Internet. Arguments presented at the meetings or raised by task force members either in support or opposition to each exemption/exclusion are summarized in this report.

We do not purport that this listing of arguments and comments is complete. Additional arguments and comments may be forthcoming. Such additional arguments and comments may be submitted to Mike Nugent in the Legislative Services Office at mnugent.lso.state.id.us. We have not evaluated, challenged or weighted the relative strength of any arguments.

You asked us to recommend changes to make Idaho sales tax structure more relevant in today's global economy.

We submit this report without recommendation because the task force was divided in its opinion.

We believe this report provides the legislature and the public with a basis for making informed judgments in the future.

Respectfully,

Senator Hal Bunderson	Representative Dolores Crow
Senator Joe Stegner	Representative Dell Raybould
Senator Fred Kennedy	Representative Wendy Jaquet
Senator Edgar Malepeai	Representative Margaret Henbest

UNDERLYING FACTS AND ISSUES AND TASK FORCE CHARGE

Currently there are 72 exemptions and certain exclusions to the sales and use tax. The objective of this task force is to determine if modifications need to be made. The goal of the task force is to not raise revenues, but to consider the underlying public policy question and evaluate the equity and fairness in our sales and use tax structure.

Economic changes and public policy question:

Idaho's current sales tax law originated in 1965 with a 3% tax rate, 17 exemptions and various categories of exclusions. Today there are over 72 categories of sales and use tax exemptions and exclusions. Under current law, the 6% tax rate will return to 5% effective July 1, 2005.

In 1959 U.S. consumer spending was 40% services, 60% goods. Today, spending has reversed. Spending for services is now 60% of total consumer spending and is projected to grow to 65% by 2024. Approximately 46% of goods sold are subject to Idaho sales tax.

Even though the percentage of goods sold has decreased, the dollar volume of goods purchased has increased dramatically, providing a much higher overall sales tax revenue.

Public Policy Question: Should the proportionately decreasing percentage of the taxable goods segment of our consumer spending on which sales tax is charged continue to bear the entire sales tax burden, even though revenues are increasing, or should the base be broadened and the tax rate cut?

For example, assuming the sales tax base could be broadened by repealing all exemptions and exclusions and $721.3 million was the sales tax revenue needed to be raised and there was full compliance except for federal mandates, the 5% sales tax rate could be cut to the 2 1/2- 3% range. Compliance will never be "full" or complete, and there will always be a "gap" between what is owed versus what is reported versus what is collected. (See Gap Study)

Estimated Fiscal effect of sales and use taxes charged and avoided, assuming full compliance - DFM estimate for FY04 at 5% and 6% tax rate, in millions (see exhibit):

	@5%	@6%
Estimated tax – 2004 collections	**$ 721.3**	**$ 865.6**
Estimated avoided sales and use taxes:		
Services not taxed	660.8	792.9
Specific uses not taxed	174.1	208.9
Goods not taxed	122.0	146.4
Specific entities not taxed	52.9	63.4
Goods sold by remote sellers not taxed (Internet)	44.0	52.8
	$1,053.8	**$1,264.4**
	$1,775.1	**$2,130.0**

TASK FORCE CHARGE: The Task Force is "to examine Idaho's sales and use tax structure in light of the evolution of the state's economy from a products-based economy to a service-side economy, and to recommend changes to make Idaho sales tax structure more relevant to that evolution in today's global economy."

House Speaker Bruce Newcomb Senate President Pro Tem Bob Geddes

GUIDING PRINCIPLES AND EVALUATION CRITERIA

Guiding Principles:

Any changes to Idaho's sales and use tax law should:

- Sustain or improve Idaho's business-friendly climate that encourages job creation.
- Preserve Idaho's excellent credit rating.
- Ensure that Idaho's sales tax structure is stable and fair to all citizens and competing businesses and is balanced with other tax structures.
- Provide adequate but not excessive revenue for needed government services.

Evaluation Criteria:

Each sales tax exemption and exclusion (STEE) is to be measured based on the following public policy criteria:

- Does the STEE have broad citizen benefit?
- Does the STEE encourage free-market competition?
- Is state law clear as to who is or what is exempt and is there any conflict with federal law?
- Is the STEE still valid in Idaho's current and expected economic environment?
- Does the STEE cause a significant imbalance between other taxes?
- Does the STEE treat taxpayers in similar circumstances equally?
- Will removal of the STEE result in disproportionate compliance costs on the taxpayer or excessive audit and collection costs on state government?

SERVICES NOT TAXED
Analysis and Arguments for Repeal & Keeping Exclusion

Summary of Exclusions – fiscal effect (in millions)	@5%	@6%
Health and Medical	$205.7	$246.4
Professional	138.8	166.7
Construction	99.0	118.8
Business	56.4	67.7
Information	41.7	50.0
Repairs	37.6	45.1
Social	32.1	38.5
Transportation	16.1	19.4
Educational	14.3	17.2
Personal	9.1	10.9
Lottery tickets & pari-mutuel	6.8	8.1
Agricultural & Industrial	1.4	1.6
Miscellaneous	1.6	1.9
Total Services not taxed (in millions)	**$660.8**	**$792.9**

SERVICES NOT TAXED

General:

If all services ceased to be excluded from sales taxes, it is estimated the maximum fiscal effect in FY04 would be $660.8 million assuming a 5% sales and use tax rate, and $792.9 million assuming a 6% rate, and further assuming there is no change in current economic behavior. Passing laws to extend sales and use tax to certain services may have an effect on other exemptions. For example, certain services that apply to the production process may become exempt under the production exemption (see Specific Uses Not Taxed, page 17). Further, certain services paid for or subsidized by the federal government, such as Medicare and Medicaid, (there may be circumstances where this could be possible) may not be an allowable reimbursable cost under federal law.

The Idaho State Tax Commission and Division of Financial Management have identified thirteen classifications of services that are currently exempt or excluded from Idaho sales and use taxes, as follows:

1. Health and Medical Services

Description - Doctors, dentists, hospitals and nursing home services are the principal elements of this category. NAICS classification numbers 621 through 623.

History - Excluded since enactment of the sales tax in 1965.

Fiscal Impact - FY04 - $205.7 million @ 5%, $246.8 million @ 6% rate.

Arguments to repeal the exclusion:

- This exclusion amounts to a great deal of money in Idaho's tax structure. This exclusion is significant enough that it would allow the Legislature to lower the overall sales and use tax rate.
- The exclusion is broad based, covering the insured and uninsured as well. As society ages, this service will increase rapidly. Thus, repeal of this exclusion is an important element in the sales tax structure.
- Most health care providers have sophisticated record keeping systems so that the ease of compliance should not be overly burdensome.
- Two-thirds of Idahoans with health insurance are insured by two primary carriers. It would be relatively easy to comply with legislation to provide for the payment of the tax so that providers are compensated for paying this tax. Private insurance companies are required to comply with state law, including a law that would require them to calculate sales tax into reimbursement rates paid to providers. Providers collect and remit the tax. Patients (or the carriers) pay the tax.

Arguments to keep the exclusion:

- Health and medical services providers are restricted in the amount they can charge and cannot pass on sales taxes imposed on those services.
- Federal law does not allow reimbursement for Medicaid and Medicare above specified rates and restricts separate billing of the patient for additional costs.
- Sales taxes for such services would not be an allowable cost for these federal programs and would not be reimbursed under these programs.
- Federal law requires most providers (those who receive federal funds) to provide service regardless of a patient's ability to pay. For low-income patients who are not eligible for county catastrophic health care, their costs are generally either written off or only partially paid. Sales tax on these services could not be collected from the patient. It would be wrong to make the medical provider pay a tax they cannot collect from the consumer.
- Charging sales tax on patients eligible for catastrophic health care could not be collected and charging the counties and state for sales taxes for such services would be counterproductive.
- Private insurance companies have contracts under which sales tax is not an insured cost.

- The sales tax cost would fall on the medical patient to pay the tax separately. This would just be another increase in medical cost that is already becoming too expensive for many of our citizens.

2. Professional Services

Description - Legal, accounting, engineering, architectural, consulting, scientific research and advertising services fall within this category. The main elements fall in NAICS major group 541.

History - This has been excluded since enactment of the sales tax in 1965.

Fiscal Impact - $138.8 million @ 5%, $167.7 @ 6% rate.

Arguments to repeal the exclusion:
- Generally speaking, the more affluent citizenry with the ability to pay utilize these services. A tax on these services would be more fair than our current sales tax.
- Most professionals would have the software and personnel for relatively easy compliance if these services were taxed. The smaller one-person shop might have some difficulty in compliance.

Arguments to keep the exclusion:

- Taxing professional services might be a problem because services are intangible. At what point are they taxable?
- If an attorney does something for an out-of-state client, the point at which the taxable event occurs is not clear.
- Taxing services might hurt Idaho business competitiveness. If we taxed professional services, some major corporations may have their services performed in a state where services are not subject to the sales tax.
- Tax will be passed on to client.
- Many lower income citizenry, because of circumstances beyond their control, are forced to use these services and in many cases this would become an extreme hardship.

3. Construction Services

Description - Sales tax is paid on the cost of materials that are used in construction projects, but the labor component is generally not taxed. Mobile and manufactured homes are taxed on 55% of the sales price in order to give them equivalent treatment. NAICS major groups 233, 234 and 235 are included in this category.

History - Excluded since the original sales tax was enacted .

Fiscal impact - $99 million @ 5%, $118.8 million @ 6% rate.

Arguments to repeal the exclusion:

- This exclusion is phased out somewhat on the issue of manufactured homes although a tax is paid on 55% of the price to try and pick up the materials. To tax this would be a fair tax. Generally, people who are buying new homes are more able to afford this type of tax.
- If this tax is added, it would be a cost of business for businesses utilizing construction services and might actually merit a cost savings to them if the sales tax rate on tangible personal property utilized in the construction were to decrease.

Arguments to keep the exclusion:

- Adding sales tax to the component would raise the price of homes. Another problem would be the issue of fair competition. Idaho contractors already pay sales tax on materials, while Oregon contractors come to Idaho with materials already purchased and build houses without paying sales tax. Oregon contractors are audited regularly and they do tend to pay use tax for reasons other than because they are audited. They actually tend to buy their materials in Idaho because of better selection and they save on transportation costs. Regardless, a contractor's use of building materials in Idaho makes the contractor legally obligated for the tax. If Idaho adds sales tax to labor, that could further decrease Idaho contractor's competitiveness.
- Adding sales tax to construction would cause small employers to have to add additional employees and equipment in order to collect and remit this sales tax to the commission.
- Oregon contractors are audited regularly and they do tend to pay use tax for reasons other than because they are audited. They actually tend to buy their materials in Idaho because of better selection and they save on transportation costs.
- Home buyers who are financing the purchase on a contract would not only be paying the amount of the sales tax, but would be paying interest on the sales tax portion of the sales price for the life of the contract.
- First time home buyers, and young couples trying to upgrade from older homes would be heavily impacted by this tax.

4. Business Services

Description - This category includes office services, employment services, building services, employment agencies, facility services and security agencies. NAICS major groups 561 and 562 are in this category.

History - This has been excluded since enactment of the sale tax in 1965.

Fiscal impact - $56.4 million @ 5%, $67.7 million @ 6% rate.

Arguments to repeal the exclusion:

- Taxing this service like other services may reduce the year-to-year volatility of sales tax collections. Sales tax bases are dominated by purchases of "big-ticket" items such as cars, appliances and furniture which often decline sharply during economic downturns. Taxing business services would tend to have a stabilizing effect on tax revenues.

Arguments to keep the exclusion:

- It might hinder Idaho business in a global and national marketplace; it would also cause hardship on some smaller businesses.

5. Information Services

Description - Subscriptions or charges for one-way and two-way transmission of signals containing information (sound, images, data) and information services (Internet providers). This exclusion consists mostly of local and long distance telephone services and cable television. NAICS major group 513 and 514.

History - Communications have been excluded since the enactment of the sales tax in 1965.

Fiscal impact - $41.7 million @ 5%, $50 million @ 6% rate.

Arguments to repeal the exclusion:

- Cable television, dish tv and internet service for that matter are not a necessity of life. People who are subscribing to these mediums can afford to pay the tax on them. This tax would not be regressive.
- The economy is more entertainment oriented than ever before and because of that shift, it is unfair for this segment to not also be taxed.
- When looking at extending the sales tax, an easy thing to do is to extend it to things considered discretionary, such as entertainment. In doing this, care needs to be taken that adding taxes to these forms of entertainment results in removing any tax induced price bias in people's choices.
- It is unfair to tax a video purchased from a supermarket but not tax the same thing available on cable television. Repeal of this tax exclusion levels the playing field.

Arguments to keep the exclusion:

- Some tax is already paid for certain services such as franchise fees and 911 fees for cellular phones. This arena is rapidly becoming a necessity of life and therefore should not be taxed.
- To tax this segment could negatively impact certain businesses in Idaho and damage their ability to compete in the global and national markets.
- Federal preemption from taxing internet access already exists.

6. Repairs

Description - The labor charges associated with repairing or installing tangible personal property are generally not taxable as long as they are separately stated on the bill. NAICS major group 811 is included in this category.

History - This has been excluded since enactment of the sales tax in 1965.

Fiscal impact - $37.6 million @ 5%, $45.1 million @ 6% rate.

Arguments to repeal the exclusion:

- The failure to tax this service, while most goods are taxed, distorts resource allocation throughout the economy by creating an artificial incentive to purchase services rather than goods. For example, some consumers may be encouraged to repair older cars and appliances rather than replace them with more energy-efficient and less polluting alternatives. Also, unnecessarily high tax rates on goods resulting from under-taxation of services stimulate such wasteful activities as tax-motivated interstate or internet shopping.

Arguments to keep the exclusion:

- If the production exemption was also repealed, this exclusion would impact small business and farmers particularly who cannot afford to purchase new equipment. Also, businesses and farms near the Oregon and Montana borders would be hard hit.
- Using a tax to encourage increased consumer spending is not the role of government.
- The materials and parts being used in the repairs covered by this exemption are being taxed now. Repealing this exemption would not create or provide the incentive to purchase services rather than goods stated in the argument to repeal the exclusion.

7. Social Services

Description - Adult and child day care, residential care and adoption services. NAICS major group 624.

History - This service has been excluded since the enactment of the sales tax in 1965

Fiscal impact - $32.1 million @ 5%, $38.5 million @ 6% rate.

Arguments to repeal the exclusion:

- Many of the arguments for taxing health services would apply here as well.

Arguments to keep the exclusion:

- These expenditures are generally nondiscretionary. Day care for children and adults is viewed as a necessity. Also, if we want to encourage adoption, this would send the wrong signal to tax the service.

8. Transportation Services

Description - Most charges for transportation of freight and passengers are excluded from the sales tax (Section 63-3613(b)(7).

History - Transportation services have generally been excluded since the enactment of the sales tax in 1965.

Fiscal impact - $16.1 million @ 5% rate, $19.4 million @ 6%.

Argument to repeal the exclusion:

- If this is taxed, it will or could possibly be ultimately rolled into the cost of durable goods for non-agricultural products and would be paid by the ultimate consumer. This would be a relatively painless tax to the consumer.

Arguments to keep the exclusion:

- Much of the reason production facilities are moved outside of Idaho is due to additional freight costs. If a sales tax was also added to that cost, it would make Idaho less competitive with other states. It would especially hurt small, locally owned and operated businesses. If repealed it would further hurt the agricultural, timber and mining sectors.
- Sales tax that could not be passed on to the consumer would have to be absorbed by the producer, resulting in loss of profit and a reduction in income tax paid to the state.
- Taxing transportation would be a major criteria to be evaluated by any industry investigating a location in Idaho for a production plant.

9. Educational Services

Description - Elementary and secondary schools, colleges and universities, libraries, vocational schools, driving instruction, flight school and modeling schools.

History - This has been exempt since the adoption of the sales tax in 1965.

Fiscal impact - $14.3 million @ 5% rate, $17.2 million @ 6%.

Arguments to repeal the exclusion:

- This is an area where private enterprise competes with the government, i.e. schools and colleges. If someone can afford to send their child to private school, they can afford in relative terms to pay the tax on the service.

Arguments to keep the exclusion:

- Not taxing education services helps keep the playing field equal for all educational choices.
- Most people going to private schools or colleges are not wealthy and cannot afford to pay a sales tax on tuition. These entities are serving as competition to government schools because they provide a superior service.

10. Personal Services

Description - Laundry and dry cleaning, barbers and beauticians, shoe repair, funeral services, massage parlors and escort services. NAICS major group 812 is included in this category.

History - This has been exempt since the 1965 enactment of the sales tax.

Fiscal impact - $9.1 million @ 5% rate, $10.9 million @ 6%.

Arguments to repeal the exclusion:

- Many of these services are discretionary, thus making a tax less regressive.
- Most of these services already sell products of some sort, so they should have a mechanism in place to collect sales tax.

Arguments to keep the exclusion:

- A tax on the service would be hurting the small business generally. The barber, shoe repairer or beautician is not big business.
- The tax would often not be paid by the consumer, but by the provider through reduction in the amount of tip received.

11. Lottery tickets and pari-mutuel

Description - The sale and purchase of lottery tickets and pari-mutuel betting is exempted from the sales tax, and statute also exempts any equipment used in lottery operations.

History - Enacted in 1988.

Fiscal impact - \$6.8 million @ 5% rate, \$8.1 million @ 6%.

Arguments to repeal the exemption:

- Lottery and pari-mutuel tickets are not a necessity of life, are recreational activities at best or self-destructive behavior at worst.
- The state should not be subsidizing gambling that adds to increased social costs.
- The lottery is a really regressive voluntary tax, as the majority of the people who play it are often from the lower socio-economic strata.

Arguments to keep the exemption:

- Profits from the lottery are split between the state permanent building fund and public school districts for their school buildings. To add a sales tax to the tickets could negatively impact these two public goods.
- The horse racing industry in Idaho is hurting currently. To put a tax on pari-mutuel tickets could cause further damage.
- As lottery and pari-mutuel betting tickets are sold in whole dollar amounts, adding a sales tax could not be practically passed on to the consumer. The tax would have to be paid from gross ticket sales and thus reduce profits.

12. Miscellaneous Services

Description - This includes all personal-service industries not classified elsewhere which include pet care, photo finishing, parking lots and garages. NAICS group 8129 is included in this category. Purchase of prints, and processing of film is taxable. (Rule 56)

History - This has been excluded since 1965.

Fiscal impact - \$1.6 million @ 5% rate, \$1.9 million @ 6%.

Arguments to repeal the exclusion:

- These are discretionary spending. If the base could be broadened and the rate lowered, Idaho's economy could improve.

Arguments to keep the exclusion:

- These entities generally tend to be small businesses. It might be hard to collect and remit the taxes for some entities.

13. Agricultural and Industrial Services

Description - Agricultural soil preparation, planting, cultivating and harvesting, farm management, forestry service and mining services. NAICS groups 115 and 213 are included in this category.

History - This has been excluded as it was omitted from the definition of "sale".

Fiscal impact - $1.4 million @ 5% rate, $1.6 million @ 6%.

Arguments to repeal the exclusion:

- If the base were to be broadened and the sales tax rate lowered for all goods, persons or entities impacted by this tax might be benefitted as some of their total tax bill would decrease depending upon their income tax rate and their total income tax liability.

Arguments to keep the exclusion:

- Many agribusinesses hire contractors to do their combining, bailing, harvesting and land preparation. At the present time there is no tax structure to collect. Charging a tax would probably drive a lot of this activity underground. It would also cause an unfair competitive advantage in areas that border states that do not tax this service.
- This tax would be borne by few individuals. Removing this exemption and lowering the sales tax rate would be an extreme tax shift from the many to the few.

14. Media Measurement Services

Description - The sale and purchase of any television, radio, newspaper or other media measurement service.

History - Enacted in 1997.

Fiscal impact - $55,200 @ 5% rate, $66,000 @ 6%.

Arguments to repeal the exemption:

- If cable television is going to be taxed, it is only fair to include this exemption.

Arguments to keep the exemption:

- This exemption applies to the Nielson and Arbitron ratings reports that show the television and radio stations their market share and demographics of their audiences. If this is taxed, the price of advertising would probably increase.

SPECIFIC USES NOT TAXED

Analysis and Arguments for Repeal & Keeping Exemption

Summary of Exemptions – fiscal effect (in millions)	@5%	@6%
Production exemption--equipment	$63.9	$76.6
Production exemption--supplies	48.3	58.0
Production exemption--irrigation equipment and supplies	2.7	3.2
Trade-in value	22.3	26.8
Motor vehicles used outside Idaho	12.5	14.9
Interstate trucks	5.2	6.3
Food stamps (Federal mandate)	3.2	3.9
Out-of-state contracts	2.9	3.5
Pollution control equipment	2.8	3.4
School lunches and senior citizens meals (Federal)	2.3	2.8
Railroad rolling stock and remanufacturing	2.1	2.6
Broadcast equipment and supplies	1.8	2.1
Commercial aircraft	1.6	1.9
Sale or lease of business or business assets	1.4	1.7
Ski lifts and snow grooming equipment	.5	.6
Clean rooms (semiconductor manufacturing)	.4	.5
Publishing equipment and supplies	.1	.1
Lodging eating and drinking businesses, disposable supplies, Driver's education autos, incidental sales, donations to govt. or charity, sales to out-of-state buyers with delivery in Idaho	.1	.1
Total Uses Not Taxed (in millions)	**$174.1**	**$209.0**

1. Production Exemption – Equipment
***Idaho Code* 63-3622D; 63-3622JJ.**

Description - This feature of the production exemption exempts equipment used to produce a taxable product in production activities. Production activities covered by this exemption are limited to manufacturing, processing, fabricating, logging, farming, and mining. The equipment must be primarily and directly used in the production activity to qualify. Also, the claiming entity must be primarily engaged in a qualifying activity for its equipment to qualify. The only exception to this is logging, where any logging equipment qualifies.

Certain specific exclusions from the production exemption exist. They include: hand tools with a unit purchase price of $100 or less; equipment that is used in activities other than the actual production activity; equipment used in research and development; equipment used in transportation, including motor vehicles and aircraft that are required to be licensed by any state; equipment used to make repairs; any tangible personal property that is or is intended to become a component of real property; recreational vehicles; equipment used to produce exempted gas, electricity, water, heating materials, literature, or liquor.

History - This exemption was originally enacted in 1965 as 63-3622d. In 1987, custom farmers were added to the exemption by amending 63-3603, definition of farming. In 1989, 63-3605A was added to include contract loggers in the production exemption. In 1990, logging was moved to a separate section and expanded to include persons who are not primarily engaged in logging. It was amended in 1991 in response to the Haener decision (Idaho Supreme Court) by adopting the integrated plant doctrine, exempting equipment used to fabricate or install production equipment, and adding safety equipment.

Fiscal Impact - FY04 - $63.9 @ 5%, $76.6 million @ 6%

Arguments to repeal the exemption:

- Most of Idaho produced goods are shipped out of state. The production exemption allows these goods to avoid paying any sales tax. Repealing this exemption would keep these sales taxes in Idaho, but would make sale of these goods in other states less price competitive.
- We need to create a sound, future-oriented tax policy that will benefit all Idaho citizens while at the same time creating a tax system that will be fair to Idaho citizens, businesses and industries. The legislature must have the strength and unanimity to realize equity in our taxation goal. The legislature must look at all the sacred cows visible and invisible in our tax policies.
- One of the opponents of modifying or repealing the production exemption made the following statement to a subcommittee of the Revenue and Taxation Committee in 1993: "...there is a perception that tax reform is needed....Any proposed changes must maintain this fairness and balance...The rapidly growing service sector sooner or later will have to be taxed..."
- Critical problems in Idaho's tax structure will only get worse if reform does not occur. In order to meet needs of government under our current tax structure, both individuals and businesses need to contribute fairly. Repeal of the production exemption would be a fair way to spread the burden among all Idaho taxpayers.
- The repeal of this exemption would not necessarily make Idaho any less competitive in the United States or world markets if it was also accompanied with a decrease in the overall rate of the sales tax.
- This is the first of a number of exemptions that make no economic or ethical sense and creates an unfairness across different types of businesses. Repeal of this exemption would provide a level playing field for all businesses in Idaho, would improve the simplicity and ease of administration of the sales tax, reduce the opportunity for abuse of the sales tax and allow for an overall rate reduction in the sales and use tax.

Arguments to keep the exemption:

- The production exemption is the foundation of Idaho's tax structure. To significantly alter or modify this exemption could send a shockwave among Idaho's industries, causing economic dislocation. Idaho's businesses have operated for decades with this exemption and it has been the lynchpin of a sound three legged tax structure that has provided needed revenue for Idaho's public sector.
- Moving to a value-added tax would be largely exclusive to Idaho. It would add significantly to the need to tax compliance personnel.
- Idaho's sales tax structure calls for the end user paying the tax. To repeal the production exemption would be similar to having a "valued-added" tax structure like is in place in Canada. There any many things Idahoans do not like about Canada's tax structure and this would be one of them.
- Businesses could be seriously hurt if this exemption were repealed because they budget certain costs not going up during a business year and this is one of unforeseen costs that would increase.
- Idaho's three pronged tax structure is fair and balanced. It has not been shown that additional revenues will be needed for public services nor has it been shown that any of the legs of Idaho's tax structure is out of balance.
- To foster an increase in business in Idaho, businesses have to be profitable. To tax an entity before it makes a profit is unfair. Profits need to be taxed. If it is felt that businesses or individuals are making too much money, income tax rates need to be looked at.

2. Production Exemption – Supplies
***Idaho Code* 63-3622D, 63-3622JJ**

Description - This feature of the production exemption exempts supplies used in the process of producing a product for resale. Production activities covered by this exemption are limited to manufacturing, processing, fabricating, farming, logging, and mining. The supplies must be primarily and directly used in the production activity to qualify. Also, the claiming entity must be primarily engaged in a qualifying activity for its production supplies to qualify. The only exception to this is logging, where any logging supplies qualify.

Certain specific inclusions to the production exemption for supplies exist. They include: repair parts, lubricants, hydraulic oil, coolants, chemicals, catalysts, safety supplies (except for logging), and, in the dairy industry, disinfectants used to clean cow udders or to clean pipes, vats, or other milking equipment. Fuel used in logging trucks is also exempt.

Certain specific exclusions from the production exemption for supplies exist. They include: supplies that are used in activities other than the actual manufacturing, mining, farming, or logging process; supplies used in research or development; supplies used in transportation activities; repair supplies, other than parts for production equipment; any tangible personal property that is or is intended to become a component of real property; supplies used to produce exempted gas, electricity, water, heating materials, literature, or liquor.

History - This exemption was originally enacted in 1965 as 63-3622(d); custom farmers were added to the production exemption in 1987 by amending 63-3603, definition of farming; contract loggers were added in 1989 by adding 63-3605A. In 1990, logging was moved to a separate section and expanded to allow the exemption to apply to persons who are not primarily engaged in logging. Amended in 1991 in response to the Haener decision (Idaho Supreme Court) by adopting the integrated plant doctrine, exempting supplies used to fabricate or install production equipment, and adding safety supplies (except for logging). Amended in 1996 to add all fuel used in logging trucks.

Fiscal Impact - FY04 - $48.3 million @ 5%, $58.0 million @6%.

Arguments to repeal the exemption:

- Most of the above arguments for equipment apply to supplies as well.
- Under Idaho law, if something is being produced for resale, the raw materials are purchased without the sales tax being applied. If the sales tax were applied, the cost would be subtracted on the taxpayer's income tax return to get to the taxable income. While the opponents of repealing the exemption like to point out the "cost" of getting rid of the exemption, they conveniently forget to subtract the income tax liability avoided.
- Agricultural and natural resource industries are getting to be a smaller and smaller percentage of Idaho's total economy. Repeal of this exemption would broad base the Idaho sales tax more and should lead to a lower overall tax rate.

Arguments to keep the exemption:

- Most of the above arguments for equipment apply to supplies as well.
- To the extent that Idaho's economy is agricultural based and natural resource based, these industries would be adversely affected.
- The argument that income tax would be saved is to a large degree false, as income tax is computed on profits and sales tax would be computed on the gross costs of supplies, seed, and fertilizer along with any other input in the production of crops or merchandise.
- Idaho income tax and federal income tax rates would only allow a small portion of the sales tax expense to be recovered in a tax deduction. The balance of the cost of the sales tax would be a direct cost of doing business.
- As the natural resources industries in the State of Idaho are struggling to survive, this added cost of doing business could be the "nail in the coffin" for many of them. As profits decline, the value of land and other related assets decline also, putting a further burden on cities and counties tax revenues from property taxes.

3. Irrigation Equipment and Supplies
***Idaho Code* 63-3622W**

Description - Exempts agricultural irrigation equipment and supplies, even if attached to real property, and even if purchased by a contractor for an agricultural irrigation project.

History - Originally enacted in 1975 as 63-3622(f).

Fiscal Impact - FY04 - $2.7 million @ 5%, $3.2 million @6%.

Arguments to repeal the exemption:

- Most of the arguments for the preceding two production exemptions could be used here as well.

Arguments to keep the exemption:

- Most of the arguments for the preceding two production exemptions could be used here as well.

- Irrigation supplies as well as the two previous exemptions are very important to all aspects of agriculture and it is very important that the goods being produced are not taxed every step along the way. They should only be taxed at end use.

4. Trade-in Value
***Idaho Code* 63-3613(b)2**

Description - Excludes from the taxable sales price any amounts allowed for merchandise traded in on other goods.

History - Enacted in 1965. Amended in 1990 to include trade-downs and barters.

Fiscal Impact - FY04 - $22.3 million @5%, $26.8 million @ 6%.

Argument to repeal the exemption:

- To trade or not to trade is a financing decision. The person who sells their old car and uses the proceeds to help purchase another vehicle is taxed on both the full purchase price of the new vehicle and the purchaser of the old car is also taxed. The imposition of the tax should not be based on the method the seller uses to get rid of his old vehicle.

Argument to keep the exemption

- The sales tax was paid on the item when it was originally purchased and to charge it again would be unfair.
- Repeal of this exemption would be a significant factor in deciding when or whether to purchase a new vehicle. Any delay in purchasing a new vehicle would reduce new auto sales, and possibly more than offset any increase in sales tax collections.

5. Motor Vehicles Used Outside of Idaho

Idaho Code **63-3622R**

Description - Exempts vehicles bought in Idaho for use outside Idaho. It also applies to trailers.

History - Originally enacted as 63-3622(q) in 1965, it exempted vehicles sold in Idaho for use out of state. It was amended in 1989 to add weight limit. Only for interstate registration plan vehicles.

Fiscal Impact - FY04 -$12.5 million @5%, $14.9 million @6%.

Arguments to repeal the exemption:

- If this exemption were repealed, it would be relatively painless to Idaho taxpayers. It would only be paid by people from other states.
- This is another example of an exemption being on the statute books since the sales tax was enacted that benefits a very narrow class of taxpayers.

Arguments to keep exemption:

- This exemption was put in place so that people from Oregon or other states would not have to pay Idaho sales tax on vehicles purchased in Idaho for immediate use in that other state. To repeal this exemption would essentially mean that sales would not be made in Idaho for vehicles going out of the state. It is consistent with other states' laws and policies.
- To repeal this exemption would particularly put at risk certain businesses located on the state border. This exemption probably makes the state more money than it costs it as it encourages people to come from other states and spend money in Idaho.
- This repeal would reduce out of state sales, reducing Idaho dealers' profits, and ultimately reducing Idaho business income tax collections. This repeal could "backfire" on total revenue collected.

6. **Interstate Trucks**
Idaho Code **63-3622R**

Description - Exempts trucks weighing over 26,000 pounds that are registered under the international registration plan (or similar prorata system) and trailers that are used in a fleet operating in interstate commerce. Provides a recapture of sales tax on vehicles that are part of a fleet that are not used at least 10% outside Idaho during the calendar year.

History - Enacted in 1989.

Fiscal Impact - FY04 - $5.2 million @ 5%, $6.3 million @6%.

Arguments to repeal the exemption:

- This is another exemption that benefits a narrow special interest.

Arguments to keep the exemption:

- With the advent of large trucking firms being able to pick and choose where to base their headquarters, this exempts vehicles that are used more than 10% outside of Idaho. Again, this was put into effect because other states have the same exemption and without it some trucking companies would have moved to other jurisdictions.
- Once again, repeal of this exemption would hurt Idaho business, ultimately reducing overall tax collections.

7. Food Stamps/WIC
***Idaho Code* 63-3622EE; 63-3622FF**

Description - Exempts goods purchased with WIC checks and federal food stamps.

History - Mandated in 1987 by the federal government.

Fiscal Impact - FY04 - $3.2 million @ 5%, $3.9 million @ 6%.

Arguments to repeal this exemption:

- The federal government prohibits taxation of food stamps and the state should not be bowing to federal blackmail. We need to be sending a message to Congress that all citizens of the state should be subject to our sales tax.

Arguments to keep this exemption:

- If the state taxes sales made with food stamps, the federal government will take away funding for food stamps in Idaho. This also is an exemption that benefits the poorest of the poor. To repeal the exemption would be cutting off our nose to spite our face. If the state were forced to pick up the entire cost of the food stamp program, we would probably need to have a tax increase just for that.

8. Out-of-State Contracts
***Idaho Code* 63-3622B**

Description - Exempts goods purchased by contractors to install into real property in nontaxing states.

History - Originally enacted in 1965 as 63-3622(b), it was amended in 1993 to extend to non-Idaho contractors.

Fiscal Impact - FY04 - $2.9 million @ 5%, $3.5 million @ 6%.

Arguments to repeal the exemption:

- If this exemption were removed, it would be relatively painless to Idahoans. It provides an exemption for material used outside the state. To put a sales tax on these materials might actually benefit Idahoans.

Arguments to keep the exemption:

- This exemption is in place due to loss of sales that would occur without it. If materials are brought into Idaho from another state and have not been taxed, they are subject to the use tax. It provides an incentive to purchase materials in Idaho.
- Loss of business would result in less profits for Idaho materials dealers, resulting in less income tax collected and less general fund revenue.

9. Pollution Control Equipment
***Idaho Code* 63-3622X**

Description - Exempts equipment required by regulatory agencies for air or water pollution control.

History - Originally enacted in 1977 as 63-3622(e). Amended in 1997 to add certain dry-cleaning equipment.

Fiscal Impact - FY04 - $2.8 million @ 5%, $3.4 million @ 6%.

Arguments to repeal the exemption:

- This is an exemption that benefits industrial and manufacturing interests. A good portion of the equipment is required by federal standards for clean air and water. The federal laws apply to industries in all fifty states. For Idaho to give a tax exemption does nothing to ultimately increase our business competitiveness. The language of the statute is imprecise and does not provide a definition of "pollution control equipment."

Arguments to keep the exemption:

- This exemption was enacted due to some actions by the federal government requiring expensive pollution controls on manufacturing industries in the state. This is an ongoing cost because today plant design costs are increased to incorporate these pollution controls.

- We should be giving a tax exemption to businesses providing the ultimate public good: clean air and water. We should be providing incentives for taxpayers to be good stewards of the environment.

10. School Lunches and Senior Citizen Meals
***Idaho Code* 63-3622J**

Description - Exempts federal meals programs for youth and elderly.

History - School Lunch Programs were exempted in 1965 as 63-3622(k). Amended in 1974 to add sale of meals to aging persons under the Older Americans Act Program.

Fiscal Impact - FY04 - $2.3 million @ 5%, $2.8 million @ 6%.

Arguments to repeal the exemption:

- This exemption is in response to a federal mandate. We should not let the federal government push us around. Wealthy people and school children who could afford to pay the tax may get an unnecessary exemption.

Arguments to keep the exemption:

- The amount of money this exemption represents is minuscule in the grand scheme. Many people who receive these benefits are low-income people. Providing an exemption for senior citizen meals and school lunch shows compassion.

11. Railroad Rolling Stock and Remanufacturing
***Idaho Code* 63-3622CC; 63-3622DD**

Description - Provides an exemption for railroad rolling stock and for parts, equipment, and supplies used in the process of remanufacturing railroad rolling stock, whether or not the rolling stock is for resale. Rolling stock must have been used in interstate commerce at least three months prior to rebuild to qualify.

History - Enacted in 1986.

Fiscal Impact - FY04 - $2.1 million @ 5%, $2.6 million @ 6%.

Arguments to repeal the exemption:

- This exemption is inequitable. It needs to be broadened for remanufacturing trucks, autos and construction equipment. The exemption is too narrow. We should not be benefitting one industry. This exemption might violate the federal commerce clause.

Arguments to keep the exemption:

- This exemption was added as a competitive issue. The industry said that in order to stay in Idaho they wanted an exemption on the remanufacturing parts that were being put in locomotives and train cars.
- Railroad repair shops are at risk of leaving Idaho. Loss of this exemption would accelerate the movement of railroad repair shops out of Idaho with loss of jobs.

12. Broadcast Equipment and Supplies
***Idaho Code* 63-3622S**

Description - Provides an exemption for equipment and supplies used to produce and broadcast radio and television programs.

History - It was originally enacted in 1975 as 63-3622(w) and was amended in 1987 to add aircraft to the exclusions from the exemption.

Fiscal Impact - FY04 - $1.8 million @ 5%, $2.1 million @ 6%.

Arguments to repeal the exemption:

- If services are eventually taxed, this could be included in the production exemption. Right now, broadcasters have no taxable sales.

Arguments to keep the exemption:

- When the original exemption was added, broadcast was considered a service. It would do no good to repeal the exemption because under the production exemption, these would be considered services and would not be taxed. The use of items to perform services is generally taxed. Example: Drafting, accounting, legal, personal, and when they purchase equipment or supplies in providing the service.

13. Commercial Aircraft
***Idaho Code* 63-3622GG**

Description - Exempts aircraft purchased for commercial transport of passengers or freight.

History - Enacted in 1988. Amended in 1994 to add any aircraft that are for use outside Idaho.

Fiscal Impact - FY04 - $1.6 million @ 5%, $1.9 million @ 6%.

Arguments to repeal the exemption:

- If this exemption were repealed, it would be relatively painless to taxpayers in this state as the benefit is for aircraft marketed out of state.

Arguments to keep the exemption:

- This was added to keep purchasers of commercial aircraft from going to other states to make those purchases. This exemption is still valid.

14. Sale or Lease of Businesses or Business Assets
***Idaho Code* 63-3622K(b)(2-5)**

Description - Exempts sales of otherwise taxable merchandise, equipment, and supplies in cases where the entire business operation is undergoing transfer of ownership and the business itself will continue its operations. It also exempts sales of businesses that amount to change in the form of business ownership. It also exempts sales and leases of capital assets between closely related businesses, but only if the sales tax has previously been paid on the capital asset.

History - Originally enacted as 63-3622(l), it was amended in 1967 to add bulk sales and change in form of doing business by adopting a new definition section 63-3612A in 1967. Section 63-3612A was repealed and moved to 63-3622K in 1988, then amended in 1990 to add related business transfers and sales. Amended in 1996 to add leases of assets among family-owned businesses.

Fiscal Impact - FY04 - $1.4 million @ 5%, $1.7 million @ 6%.

Arguments to repeal the exemption:

- If a person were to start a business from scratch, these materials would be taxable. The exemption discriminates against new start-ups. The intercompany exemptions require tax on original purchases.

Arguments to keep the exemption:

- These goods have already been subject to sales tax. To tax them again would be unfair.

15. Ski Lifts and Snowgrooming Equipment
***Idaho Code* 63-3622Y**

Description - Exempts the lifts, snowgroomers, and snowmaking equipment used by the owner of a ski area.

History - Enacted in 1995.

Fiscal Impact - FY04 - $.5 million @ 5%, $.6 million @ 6%.

Arguments to repeal the exemption:

- Seems to favor the ski industry over other industries that do not enjoy such an exemption.

Arguments to keep the exemption:

- Use of a recreational facility, such as lift tickets, are already taxed in Idaho and this exemption helps ski areas prepare and maintain their facility.

16. Clean Rooms
***Idaho Code* 63-3622NN**

Description - Exempts any tangible personal property that is used in or becomes a part of a "clean room" used to manufacture semiconductors. Also includes property that is used to maintain a clean room.

History - Enacted in 1999.

Fiscal Impact - FY04 - $.4 million @ 5%, $.5 million @ 6%.

Arguments to repeal the exemption:

- Gross sales from these businesses exceed the sales from the agricultural industry in Idaho.

Arguments to keep the exemption:

- The technology industry needs this exemption to encourage economic development in Idaho.

17. Publishing Equipment and Supplies
***Idaho Code* 63-3622T**

Description - Provides an exemption for equipment and supplies used to publish advertising type newspapers that are sold or given away to the public, as long as the paper contains at least 10% editorial comment and advertising revenue is the publisher's primary source of income.

History - This exemption was originally enacted in 1979 as 63-3622(x). The only amendment in 1987 to this exemption was to add aircraft to exclusions from the exemption.

Fiscal Impact - FY04 - $.1 million @ 5%, $.1 million @ 6%.

Arguments to repeal the exemption:

- This exemption would seem to favor certain types of publications over others.

Arguments to keep the exemption:

- The amount of money the exemption represents is minuscule.

18. Lodging, Eating, and Drinking Places
***Idaho Code* 63-3612**

Description - Allows these industries an exemption for nondepreciable goods that are consumed by customers, such as guest hand soap provided in a motel room.

History - Enacted in 1988.

Fiscal Impact - FY04 - $30,000 @ 5%, $36,000 @ 6%.

Arguments to repeal the exemption:

- These items would probably be provided by the industry regardless of the exemption due to the promotional value.

Arguments to keep the exemption:

- The amount of money the exemption represents is minuscule.

19. Drivers Education Automobiles
***Idaho Code* 63-3622R(d)**

Description - Exempts the value of motor vehicles that are temporarily donated to drivers education programs.

History - Enacted in 1995.

Fiscal Impact - FY04 - $25,000 @ 5%, $30,000 @ 6%.

Arguments to repeal the exemption:

- Repealing this exemption would simplify our sales tax structure.

Arguments to keep the exemption:

- The amount of money the exemption represents is minuscule.
- This is an essential part of our education system and should receive the same advantage as other materials used in education.

20. Incidental Sales of Tangible Personal Property
***Idaho Code* 63-3609**

Description - Exempts goods sold incidentally when selling real property, such as a stove and refrigerator included with a home.

History - Enacted in 1985.

Fiscal Impact - FY04 **-** $10,000 @ 5%, $12,000 @ 6% .

Arguments to repeal the exemption:

- Since there is virtually no fiscal impact, it would not hurt to repeal this exemption. It would be difficult to enforce.

Arguments to keep the exemption:

- The amount of money the exemption represents is minuscule. Also, sales tax was paid on the items included in the exemption at the time of purchase.

21. Donations of Real Property to Idaho Government
***Idaho Code* 63-3621(l)**

Description - Allows an exemption from use tax for goods that are donated to either the State of Idaho or to a nonprofit listed in 63-3622O, where the goods are incorporated into real property.

History - Enacted in 1991.

Fiscal Impact - FY04 - $20,000 @ 5%, $24,000 @6%.

Arguments to repeal the exemption:

- This would make the administration of the sales tax act more uniform.

Arguments to keep the exemption:

- Since the entity receiving the benefit of paying the tax would be the State of Idaho, it does not seem prudent to repeal this exemption.
- The amount of money the exemption represents is minuscule.

22. Common Carrier Purchases and Out-of-State Sales
***Idaho Code* 63-3622Q, 63-3622P**

Description - Exempts goods delivered to buyers outside Idaho (63-3622Q) and in-state purchases by common carriers for use outside Idaho if transported out of Idaho under a bill of lading (63-3622P).

History - Originally enacted as 63-3622(p) and 63-3622(o) in 1965.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- If these goods were delivered in Idaho, they would be taxed. To tax them is equitable.

Arguments to keep the exemption:

- The amount of money the exemption represents is minuscule.
- If this exemption were repealed, agricultural products, both fresh and processed, would be subject to sales tax, creating a competitive disadvantage to Idaho producers. Agricultural processors are leaving the state now because of freight rates. Repeal of this exemption would accelerate this move.

SPECIFIC GOODS NOT TAXED

Analysis and Arguments for Repeal & Keeping Exemption

Summary of Exemptions – fiscal effect (in millions)	@5%	@6%
Motor Fuels	$50.0	$60.4
Utility Sales	47.0	57.1
Prescriptions and durable medical equipment	15.5	18.6
Heating Materials	2.41	2.9
Used Mobile Homes	2.33	2.8
New Manufactured Homes or Modular Buildings(45%)	1.61	1.9
Funeral Caskets	.89	1.1
Telecommunications Equipment	.65	.8
Precious Metal Bullion	.5	.6

Nonprofit Literature	.1	.1
Official Documents, Containers, Vending Machines and Amusement Devices	1	.1
Total Goods Not Taxed (in millions)	**$122.00**	**$146.4**

1. Motor Fuels
***Idaho Code* 63-3622C**

Description - Exempts motor fuels subject to motor fuels tax; exempts off-road fuels loaded in Idaho and used outside Idaho.

History - Originally enacted in 1965 as 63-3622(c). Exempted on road use of motor fuels; amended in 1986 to exempt locomotive fuels unless loaded and burned off in Idaho.

Fiscal Impact - FY04 - $50 million @ 5%, $60.4 million @ 6%.

Arguments to repeal the exemption:

- Our road system could use the money for repairs. This would be good for the state's economy to have a better road system.

Arguments to keep the exemption:

- The motor fuels exempted are already subject to the motor fuels tax. To tax them again would be unfair.
- Idaho motor fuel tax is now one of the highest in the nation.

2. Utility Sales
***Idaho Code* 63-3622F**

Description - Exempts sales of natural gas, electricity, and water delivered to consumers by means of wires, pipes, mains, or similar systems.

History - Originally enacted in 1965 as 63-3622(f).

Fiscal Impact - FY04 - $47 million @ 5%, $57.1 million @ 6%.

Arguments to repeal the exemption:

- Removing this exemption would generate a large amount of revenue and all consumers would be affected.

Arguments to keep the exemption:

- Utilities already pay franchise fees and to remove this exemption would be adding another tax that is ultimately passed on to the consumer.

3. Prescriptions and Durable Medical Equipment
***Idaho Code* 63-3622N**

Description - Exempts most prescription medical items.

History - This exemption was originally enacted as 63-3622(q) in 1967 to exempt prescription drugs. It was amended in 1971 to add prescription oxygen and amended in 1976 to add prosthetics, limbs, wheelchairs, hearing aides, and crutches. It was amended in 1990 to add durable medical equipment, and numerous other prescription items. Amended in 1992 to clarify that dentures and other orthodontic appliances are taxable when purchased by the practitioner. Amended in 1998 to reverse the 1992 amendment, and provide that dental prostheses and other orthodontic appliances, except fillings, are exempt.

Fiscal Impact - FY04 - $15.5 million @ 5%, $18.6 million @ 6%.

Arguments to repeal the exemption:

- There is a significant amount of money attached to this exemption. The same product that is not taxed under this exemption would be taxed if used for non-medical purposes.

Arguments to keep the exemption:

- Many of the people that need these services are elderly or low income. Removing the exemption would place an unnecessary burden on a certain portion of society.
- Much of this increase in tax would be borne by Medicaid recipients, further burdening the budget of the Department of Health and Welfare.

4. Heating Materials
***Idaho Code* 63-3622G**

Description - Exempts wood, coal, gas, and petroleum products used as a source of heat for either industrial or domestic purposes.

History - Originally enacted in 1965 as 63-3622(g).

Fiscal Impact - FY04 **-** $2.4 million @ 5%, $2.9 million @ 6%.

Arguments to repeal the exemption:

- If the exemption is removed from utilities, this should also be repealed.

Arguments to keep the exemption:

- This category should enjoy the same exemption as utilities. They provide very similar services to customers.

5. Used Mobile Homes
***Idaho Code* 63-3622R**

Description - Exempts the sale of used manufactured homes from the sales tax.

History - Original 63-3622(q) was amended in 1976 to exempt used manufactured homes.

Fiscal Impact - FY04 - $1.5 million @ 5%, $1.8 million @ 6%.

Arguments to repeal the exemption:

- A used automobile or boat would be taxed if sold. Manufactured homes should be treated similarly.

Arguments to keep the exemption:

- Sales tax is paid on manufactured homes when they are originally purchased.

6. New Manufactured Homes or Modular Buildings
***Idaho Code* 63-3613(c)**

Description - Excludes 45% of the sales price of new manufactured homes and modular buildings from the taxable sales price.

History - Originally exempted 60% of the sales price of mobile homes when enacted in 1965. It was amended in 1976 to exempt 45% and added modular buildings (which were previously treated as real property improvements and taxed on materials as built).

Fiscal Impact - FY04 - $1.6 million @ 5%, $1.9 million @ 6%.

Arguments to repeal the exemption:

- If the sales tax base is broadened, it would be fair and equitable to tax 100% of manufactured homes.

Arguments to keep the exemption:

- This has been part of the law since 1965 and would impact an important industry in Idaho.

7. Funeral Caskets
***Idaho Code* 63-3622U**

Description - Exempts goods sold in conjunction with a funeral.

History - Originally enacted in 1977 as 63-3622(y).

Fiscal Impact - FY04 - $.91 million @ 5%, $1.1 million @ 6%.

Arguments to repeal the exemption:

- Many other states have repealed this exemption.

Arguments to keep the exemption:

- Repealing this exemption would result in the tax being passed on to the family of the deceased, not the mortician. This is a very emotional issue.

8. Precious Metal Bullion
***Idaho Code* 63-3622V**

Description - Exempts sales of precious metal bullion and coins.

History - Originally enacted in 1982 as 63-3622(z).

Fiscal Impact - FY04 - $.5 million @ 5%, $.6 million @ 6%.

Arguments to repeal the exemption:

- This is a special interest exemption and repealing it would not affect many people.

Arguments to keep the exemption:

- This is a tax on coins that have a collection value and would result in a tax only on those coins.

9. Telecommunications Equipment
***Idaho Code* 63-3613(b), 63-3621(a)**

Description - Exempts from taxation the amount of discount or price reduction that is offered as an inducement to commence or continue telecommunications service.

History - Enacted in 1996.

Fiscal Impact - FY04 - $.65 million @ 5%, $.8 million @ 6%.

Arguments to repeal the exemption:

- This is a special interest exemption and could be considered to show favoritism to a certain industry.

Arguments to keep the exemption:

- This exemption exists to encourage the use of telecommunications services.
- This discount is no different than a discount on merchandise in a department store. The discount on such merchandise is not taxed.

10. Nonprofit Literature
***Idaho Code* 63-3622I**

Description - Exempts literature published and sold by 501(c)(3) nonprofit organizations.

History - Originally enacted in 1965 as 63-3622(j), exempting only religious literature. Amended in 1989 to include literature of all 50l(c)(3) nonprofit organizations in response to the U.S. Supreme Court ruling in Texas Monthly vs. Bullock. Amended in 1999 to include alternative forms, including audio-visual, magnetic, optical, and other machine-readable media.

Fiscal Impact - FY04 - $90,000 @ 5%, $108,000 @ 6%.

Arguments to repeal the exemption:

- This is a special interest exemption and could be considered to show favoritism to certain publications.

Arguments to keep the exemption:

- This exemption was amended to include all nonprofit literature in response to a U.S. Supreme Court ruling in 1989.

11. Official Documents
***Idaho Code* 63-3622AA**

Description - Exempts sales of documents when the fee for the document is set by *Idaho Code*.

History - Originally enacted in 1984.

Fiscal Impact - FY04 - $45,000 @ 5%, $54,000 @ 6%.

Arguments to repeal the exemption:

- Prior to 1984, the sale of these documents was not tax exempt. Equity would favor repeal of this exemption.

Arguments to keep the exemption:

- Since the fee is set by statute, those purchasing the forms have no control over the cost and therefore should not be taxed.
- Repeal of this exemption would require bookkeeping and accounting by the agency selling the documents, thus more labor and expense for forms, etc.
- State and local governments would incur the costs of administering the collection and reporting of this tax.

12. Containers
***Idaho Code* 63-3622E**

Description - Exempts containers that are part of goods for sale, including returnable containers.

History - Originally enacted in 1965 as 63-3622(e).

Fiscal Impact - FY04 - $14,000 @ 5%, $16,800 @ 6%.

Arguments to repeal the exemption:

- There is no logic to exempting containers that are part of goods for sale. They, like the product, are held for resale.

Arguments to keep the exemption:

- If tax is paid on the goods for sale at the time of purchase, taxing the containers would be adding an additional tax to the price of the goods.
- Containers are part of the goods purchased and are already part of the purchase price. To separate them and tax them in addition to the purchase price of the item would in effect be double taxation.

13. Vending Machines and Amusement Devices
***Idaho Code* 63-3622II**

Description - Exempts coin-operated machines that vend a taxable product or service.

History - Enacted in 1990.

Fiscal Impact - FY04 - $50,000 @ 5%, $60,000 @ 6%.

Arguments to repeal the exemption:

- Amusement devices are a relatively new phenomenon and the statute is going to be modified slightly to take into account the rate charged for the game. Some of these games do make quite a lot of money.
- The purchase or use of shelves that hold a product and a cash register that facilitate a sale are taxable. Therefore, there appears to be no logic behind exempting the purchase or use of the vending machine.

Arguments to keep the exemption:

- To repeal the exemption would raise the cost of materials purchased from vending machines.

<u>SPECIFIC ENTITIES NOT TAXED</u>

<u>Analysis and Arguments for Repeal & Keeping Exemption</u>

Summary of Exemptions – fiscal effect (in millions)	@5%	@6%
State and Local Government Purchases	19.71	23.6
Hospital Purchases	13.91	16.7
Educational Institution Purchases	5.24	6.3
INEEL R&D Purchases	3.41	4.1
Sales by federally Recognized Indian Tribes on Reservations	3.16	3.8
Sales by Non-Retailers (yard and Occasional Sales)	1.99	2.4
Sales through Vending Machines	1.58	1.9
Motor Vehicle Purchases by Family Members	1.4	1.7
Canal Company Purchases	.74	.9
Incidental Sales by Churches	.5	.6
Auto Manufacturer Rebates	.5	.6
Health Entity Purchases	2.5	3.0
Food Bank Purchases	1.7	2.0
Forest Protective Association Purchases, Sales by 4H and FFA Clubs and Fairs, Sales by Outfitters and Guides, Sales of Meals by Church Members, Centers for Independent Living, Non-sale Clothier Purchases,		

Ronald McDonald House Rooms, Federal Excise Tax Imposed at Retail Level, Federal Constitutional Prohibitions, Other Federal and State Statutory Prohibitions	.1	.1
Total Specific Entities Not Taxed (in millions)	**$52.9**	**$63.4**

1. State of Idaho and Local Government Purchases
***Idaho Code* 63-3622O(1)(f)**

Description - Exempts Idaho governmental agencies from paying sales tax on purchases.

History - Enacted in 1997; exemption was done by Tax Commission regulation from enactment of the sales tax to 1997.

Fiscal Impact - FY04 - $19.6 million @ 5%, $23.6 million @ 6%.

Arguments to repeal the exemption:

- This exemption is still valid.

Arguments to keep the exemption:

- If this exemption were to be repealed, the State of Idaho and political subdivisions would be paying the taxes.

2. Hospital Purchases
***Idaho Code* 63-3622O(1)(a)**

Description - Exempts all purchases by nonprofit hospitals that are licensed by the state for the care of ill persons. Excludes from exemption nursing homes or "similar institutions."

History - Originally enacted as 63-3622(s) in 1967.

**Fiscal Impact - ** FY04 - $13.9 million @ 5%, $16.7 million @ 6%.

Arguments to repeal the exemption:

- This exemption is inequitable because for-profit hospitals are required to pay sales tax on purchases.

Arguments to keep the exemption:

- Nonprofit hospitals are required to provide services to the community that others are not and this exemption helps cover the cost of some of those services.

- Many of the nonprofit hospitals are supported by counties. This would increase the support burden borne by property taxpayers, in effect, taking it out of one pocket and putting it in another.

3. Educational Institution Purchases
***Idaho Code* 63-3622O(1)(a) and 33-5204**

Description - Exempts all purchases by nonprofit colleges, universities, primary and secondary schools. Excludes from exemption schools that primarily teach business, dancing, gymnastics, dramatics, music, cosmetology, writing, exercise, and "other special accomplishments."

History - This was originally enacted as 63-3622(s) in 1967 and amended in 1990 to add non-resident schools with Idaho facilities. It was amended in 1993 to add all non-resident schools not otherwise excluded. 33-5204 was added in 1999 to explicitly add charter schools to this exemption.

Fiscal Impact - FY04 - $5.24 million @ 5%, $6.3 million @ 6%.

Arguments to repeal the exemption:

- This is a special interest exemption that excludes schools that teach specialized subjects.

Arguments to keep the exemption:

- Since this exemption is for nonprofit schools, it would be valid.

4. INEEL R&D Purchases
***Idaho Code* 63-3622BB**

Description - Exempts goods used for research and development at the Idaho National Engineering and Environmental Laboratory (INEEL).

History - It was originally enacted in 1967 and exempted all federal research and development and nuclear fuel reprocessing under 63-3615. It was amended in 1969 to limit to INEEL only. It was recodified in 1985 as 63-3622BB and removed nuclear fuel reprocessing from the exemption.

Fiscal Impact - FY04 - $3.41 million @ 5%, $4.1 million @ 6%.

Arguments to repeal the exemption:

- This exemption shows favoritism to one entity and therefore should be repealed.

Arguments to keep the exemption:

- This exemption should be retained because it helps promote research and development by the INEEL.

7. Sales to Non-tribal members by Indian tribes on Reservations
***Idaho Code* 63-3622Z**

Description - Exempts sales to non-tribal members by Indian tribal enterprises from sales and use tax. Sales by tribal enterprises to members of the tribe are exempt under federal law. This exemption allows a tribal enterprise to make sales to non-Indians without collecting sales tax. Further, it provides that no use tax applies to the purchase even if the non-Indian removes the goods from the reservation.

History - Originally enacted as 63-3622(aa) in 1984; exempted sales of tangible personal property by tribes to non-tribal members within reservation boundaries; amended in 1987 to include sales of services and to define reservation.

Fiscal Impact - FY04 - $3.16 million @ 5%, $3.8 million @ 6%.

Arguments to repeal the exemption:

- This exemption gives unfair competitive price advantage over tax paying retail business.
- It is excessive. With tribal gaming allowed, the tribes already have a tax haven magnet.
- The tribes also pay no state income tax or cigarette tax and are suing the state to be exempt from fuel taxes sold to non-tribal members. The sales and use tax exemption thus is just one more subsidy to a small group (5 tribes with only 7,000 tribal members) of special interest citizens.
- With passage of Proposition 1 in 2002, the tribes are allowed casino gaming destination resorts. Continuance of this exclusion gives them a tax haven to further attract non-tribal customers away from taxpaying businesses.
- The law is open ended and exposes the state general fund to massive loss. For example, the law exempts big ticket items such as persons purchasing automobiles from paying use tax if the automobile is purchased on the reservation from a tribal dealership.

Arguments to keep the exemption:

- The tax savings allows the tribes to be more self-sufficient.
- The Nez Perce provide scholarships to a sizable number of tribal members.
- The Coeur d'Alene tribe makes monetary contributions to the schools in its area.
- The tribes are poor and need the subsidy.
- Enforcement might be problematic.
- The tribes may retaliate by increasing fees and rents charged for use or crossing tribal lands.

8. Sales by Non-Retailers (Yard and Occasional Sales)
Idaho Code **63-3622K(b)(1,6); 63-3622H**

Description - Exempts sales of items by individuals who are not retailers and who are not behaving as a retailer. Covers transactions such as occasional yard sales, occasional classified ad sales, etc. Motor vehicle sales are specifically excluded from this exemption.

History - Originally enacted as 63-3622(j, l) in 1965.

Fiscal Impact - FY04 - $1.99 million @ 5%, $2.4 million @ 6%.

Arguments to repeal the exemption:

- If these items were sold in a store, they would be taxed. It is not fair for them to be exempt.
- Most of these items were taxed at the time of the original purchase.

Arguments to keep the exemption:

- A tax on these items would be very hard to collect and the amount is minuscule**.**

9. Sales Through Vending Machines
Idaho Code **63-3613(e)**

Description - Allows retailers selling products through vending machines for $1.00 or less to pay tax on 117% of their acquisition cost of the products rather than on the retail sales price.

History - Enacted in 1977.

Fiscal Impact - FY04 - $1.58 million @ 5%, $1.9 million @ 6%.

Arguments to repeal the exemption:

- This could be repealed and the tax charged on the retail price would generate more tax revenue.

Arguments to keep the exemption:

- Charging at 117% of total acquisition cost simplifies collection of the tax.
- By paying tax on 117% of the cost of the products sold, the sales tax has, in effect, been paid.

10. Motor Vehicle Purchases by Family Members
Idaho Code **63-3622K(c)**

Description - Exempts sales of motor vehicles between family members related within the second degree of consanguinity.

History - Section 63-3612A was amended in 1980 to add the sale of motor vehicles to family members. It was repealed and moved to 63-3622K in 1988.

Fiscal Impact - FY04 - $1.34 million @ 5%, $1.7 million @ 6%.

Arguments to repeal the exemption:

- Shows favoritism to one group over another. If a car is purchased from a used car dealer, sales tax must be paid.

Arguments to keep the exemption:

- Since the car is staying in the same family, if this exemption were repealed people would probably just transfer the registration and title without actually selling the vehicle.
- Sales tax was paid on the original purchase.

11. Canal Company Purchases
Idaho Code **63-3622O(1)(a)**

Description - Exempts all purchases by canal companies. Canal companies are defined as nonprofit corporations whose sole purpose is operating and maintaining dams, reservoirs, canals, lateral and drainage ditches, pumps, and pumping plants.

History - Originally enacted in 1967 as 63-3622(s).

Fiscal Impact - FY04 - $.74 million @ 5%, $.9 million @ 6%.

Arguments to repeal the exemption:

- Shows favoritism to nonprofit canal companies.

Arguments to keep the exemption:

- These companies are nonprofit and their sole purpose is operating and maintaining dams, reservoirs, canals, lateral and drainage ditches, pumps and pumping plants. They are similar to irrigation districts that are tax exempt.

12. Incidental Sales by Churches
***Idaho Code* 63-3622KK**

Description - Exempts sales by churches that do not regularly compete with private enterprise.

History - Enacted in 1990.

Fiscal Impact - FY04 - $.5 million @ 5%, $.6 million @ 6%.

Arguments to repeal the exemption:

- If these goods were sold by a retailer, the sale would be taxable. Fairness and equity should require the collection of sales tax.

Arguments to keep the exemption:

- The sales tax exemption is not a lot of money and allows the churches to provide social services to the community.
- Administration and collection of this tax would be very difficult. Numerous audits would be required, and the expense to the tax commission would be more than the tax collected.

13. Auto Manufacturer Rebates
***Idaho Code* 63-3613(b)8**

Description - Allows dealers to deduct the amount of a rebate given to the buyer by the motor vehicle manufacturer from the taxable sales price of the vehicle.

History - Enacted in 1990.

Fiscal Impact - FY04 - $.5 million @ 5%, $.6 million @ 6%.

Arguments to repeal the exemption:

- The exemption is unfair because the amount of a rebate is not deducted from the taxable sales price of other tangible personal property if the purchaser mails in proof of purchase.

Arguments to keep the exemption:

- The amount the exemption would provide in revenue is negligible.
- Once again, this is no more than a “sale price” such as given in a department store.
- Discounts on any sale items in any form are not calculated and taxed.

14. Health Entity Purchases
***Idaho Code* 63-3622O(1)(a)**

Description - Exempts all purchases by certain specified "health related entities." The list consists of: the Idaho Cystic Fibrosis Foundation, Idaho Epilepsy League, Idaho Lung Association, March of Dimes, American Cancer Society, Mental Health Association, The ARC, The Children's Home Society of Idaho, American Heart Association, Idaho Ronald McDonald House, United Cerebral Palsy, Arthritis Foundation, Muscular Dystrophy Foundation, National Multiple Sclerosis Society, Rocky Mountain Kidney Association, American Diabetes Association, Easter Seals, Idaho Community Action Agencies, Idaho Primary Care Association and its community health care centers, the Idaho Diabetes Youth Program, the Idaho Women's and Children's Alliance, and Special Olympics Idaho. It also includes the local or regional chapters or divisions of these entities.

History - Amended in 1980 to add first list of health related entities. Amended in 1986, 1990, 1999 and 2000 to expand the list.

Fiscal Impact - FY04 - $.25 million @ 5%, $.3 million @ 6%.

Arguments to repeal the exemption:

- Shows favoritism to nonprofit entities while for-profit entities that provide the same services are required to collect sales tax.
- Local and special laws are prohibited by Idaho's constitution. This is a local and special law at its worst.

Arguments to keep the exemption:

- Does not automatically include all nonprofit agencies.

- Most of these agencies provide services for people at reduced cost and adding a sales tax would increase those costs.

15. Food Bank Purchases
***Idaho Code* 63-3622O(1)(b, c)**

Description - Exempts all purchases by food banks or soup kitchens. Includes the Idaho Food Bank Warehouse, Inc. by specific reference, and also includes any other nonprofit corporation or association, "one of whose" primary purposes is the furnishing of food or food products to others without charge.

History - Enacted in 1991. Amended in 1998 to add "growing" to the list of activities that qualify for this exemption.

Fiscal Impact - FY04 - $.166 million @ 5%, $.2 million @ 6%.

Arguments to repeal the exemption:

- The average person who purchases food is subject to the sales tax. These entities should also be taxed.

Arguments to keep the exemption:

- Since the primary purpose of these entities is to provide food at no cost to others, adding sales tax would be putting an unnecessary burden on those providing the service.
- Since there is no charge for the food, theoretically, the tax would be zero anyway.
- Calculating the value of each food item to be taxed would be arbitrary and chaotic.

16. Forest Protective Association Purchases
***Idaho Code* 63-3622O(1)(a)**

Description - Exempts all purchases by forest protective associations. Forest protective associations are associations that detect, prevent, and suppress forest or range fires. They include only those associations that contract with the State of Idaho pursuant to Chapter 1, Title 38, *Idaho Code*.

History - Enacted in 1979.

Fiscal Impact - FY04 - $25,000 @ 5%, $30,000 @ 6%.

Arguments to repeal the exemption:

- Only exempts associations that contract with the State of Idaho.

Arguments to keep the exemption:

- These associations provide an important function that benefits the state and its citizens.

17. Sales by 4-H and FFA Clubs at Fairs
***Idaho Code* 63-3622K(b)7**

Description - Exempts sales of animals by any 4-H club or FFA club held in conjunction with a fair or the Western Idaho Spring Lamb Sale.

History - Enacted in 1979 by amending 63-3612A. Moved to 63-3622K in 1988.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- If an animal is sold to a supermarket and the meat is sold at retail, that sale is taxable to the final consumer. People buying these animals are evading taxes.

Arguments to keep the exemption:

- This exemption provides a minuscule amount of revenue for the state and helps fund worthwhile activities for rural youth.
- Live animals sold at auction are not taxed. This is no different. Anyone can buy an animal at auction, have it slaughtered and butchered without paying tax on the meat.

18. Sales by Outfitters and Guides
***Idaho Code* 63-3613(b)9**

Description - Allows outfitters to exclude from the taxable amount charged to their customers the federal fees imposed on outfitters for the right to use recreational sites.

History - Enacted in 1990. Amended in 1994 to eliminate the provision that the federal fees must be for the purpose of managing the land or water upon which the outfitting occurs.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- Even though the outfitters are required to pay a federal fee to use the sites, the state should also be able to earn some revenue from these activities.
- If a tax were imposed in this area it would be passed on to a more affluent part of society so it would not be regressive.

Arguments to keep the exemption:

- Since a federal fee is already paid by the outfitters, consumers using these services should not be charged an additional state tax.

19. Sales of Meals by Churches to Members
***Idaho Code* 63-3622J**

Description - Exempts meals sold at church functions to members of the congregation.

History - Originally enacted as 63-3622(k) in 1965.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- Shows favoritism to churches selling meals over for-profit restaurants.

Arguments to keep the exemption:

- Allows churches to provide meals at lower cost to congregational members.
- Collection costs would be prohibitive.

20. Centers for Independent Living
***Idaho Code* 63-3622O(1)(e)**

Description - Exempts sales to or purchases by centers for independent living. Centers for independent living are defined as private, nonprofit, non-residential organizations where at least 51% of the governing board are individuals with disabilities.

History - Enacted in 1997.

Fiscal Impact - FY04 - $2,500 @ 5%, $3,000 @ 6%.

Arguments to repeal the exemption:

- Show favoritism to nonprofit organizations over for-profit organizations that provide the same services.

Arguments to keep the exemption:

- Provides services to citizens at lower cost.
- Could impact county indigent budgets.

21. Nonsale Clothier Purchases
***Idaho Code* 63-3622O(1)(d)**

Description - Exempts donations or sales of clothes to nonsale clothiers. Nonsale clothiers are defined as any nonprofit corporation or association, "one of whose" primary purposes is the furnishing of clothes to others without charge.

History - Enacted in 1992.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- Consistency and equity would require the sales tax be charged on these goods.

Arguments to keep the exemption:

- This exemption encourages charitable giving.
- Much of the clothing is provided to others at no cost.
- Much of the clothing is used and was taxed at the time of the original purchase.

22. Ronald McDonald House Rooms
Idaho Code **63-3622O(5)**

Description - This exempts the renting of a place to sleep by the Ronald McDonald House.

History - Enacted in 1997.

Fiscal Impact - FY04 - $750 @ 5%, $900 @ 6%.

Arguments to repeal the exemption:

- Shows favoritism to Ronald McDonald House in renting rooms compared to for-profit hotels or motels.

Arguments to keep the exemption:

- Allows people to rent rooms at very low cost in order to be close to sick children who are in the hospital.

23. Federal Excise Tax Imposed at Retail Level
Idaho Code **63-3613(b)5**

Description - Excludes retail level federal excise taxes from the taxable sales price.

History - Originally enacted in 1965.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- If a federal excise tax is included in the price of a product, it is not a necessity. The more affluent can afford to pay the tax.

Arguments to keep the exemption:

- Federal excise tax has already been paid on the items.
- There are currently only two federal taxes on retail sales and they are being phased out.

24. Federal Constitutional Prohibitions
***Idaho Code* 63-3622A**

Description - The state cannot tax goods when prohibited by the U.S. Constitution.

History - Originally enacted in 1965 as 63-3622(a).

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- There are none. The state is preempted from taxation.

Arguments to keep the exemption:

- The state is constitutionally preempted.

Other Federal and State Statutory Prohibitions

Description - Exemptions granted from state sales tax by other state statutes and by federal statutes, such as the American Red Cross, Amtrak, Credit Unions, Emergency 911, Federal Intermediate Credit Banks, Federal Land Banks, Foreign Diplomats, Idaho Health Facility Authority, Idaho Housing Authority, Idaho Life and Health Insurance Guaranty Association, Idaho Onion Commission, Idaho Potato Commission, Idaho Turnpike Authority, Idaho Wheat Commission, Jr. College Dormitory Housing Authority, Production Credit Association, and Regional Airport Authority.

History - Varies by statute.

Fiscal Impact - FY04 - $10,000 @ 5%, $12,000 @ 6%.

Arguments to repeal the exemption:

- Some of these entities are quasi-private entities and should be taxed as private individuals.

Arguments to keep the exemption:

- These entities are already exempt through other statutes.

GOODS SOLD BY REMOTE SELLERS NOT TAXED

Remote sellers not having a presence in Idaho (2001) in millions	**$44**	**$53**

Description - Internet sales are not subject to sales taxation pursuant to federal law.

Arguments to remove this exclusion:

- It gives blatant unfair competitive price advantage to non-taxing remote sellers over competing taxpaying retail businesses in Idaho.
- It is currently costing Idaho retailers over $1 billion in lost sales.
- It is sapping the growth out of Idaho's sales tax revenue stream. If this problem is not corrected, Idaho's publicly acclaimed three legged tax stool will only have two and a half legs, thus applying pressure to increase income and property taxes.

Arguments to keep this exclusion:

- Idaho is too small a state to be able to join the states who lead in advancing the stream-lined sales tax initiative and agreement and supporting federal laws to fix this problem. We should wait until it is clear that the U.S. Congress will approve appropriate legislation before Idaho takes any action.

APPENDIX

I. Comparison of Idaho sales and use tax law with other states

II. Consumer historical and projected spending trends for goods vs. services

III. Employment trends - number of Idaho employees/average earnings by industry

IV. Geddes/Newcomb letter authorizing the Task Force