

Idaho Center for Fiscal Policy Fact Sheet

Idaho Primary Election Fiscal Policy Guide

May 2018



IDAHO
Center for
Fiscal Policy

Idaho's primary elections are on Tuesday, May 15th and the candidates running for Governor have varied approaches to state fiscal policy. This guide provides a brief summary of proposed tax changes put forth by the candidates. Estimates of the distributional impact on Idaho taxpayers and state revenue are provided by the Idaho Center for Fiscal Policy. All major candidates were contacted as part of this report and given the opportunity to address any errors. Idaho Center for Fiscal Policy received confirmation of these policies from all campaigns except the Paulette Jordan campaign, for which policy proposals were gathered from public statements.

Candidate	Individual Income Tax	Corporate Income Tax	Sales Tax	Other Tax
Tommy Ahlquist Republican	Lower top tax rate to 5% with changes to other tax brackets unspecified	Lower tax rate by an unspecified amount	Eliminate sales tax on groceries	Eliminate grocery tax credit Decrease unemployment insurance premium by an unspecified amount Increase maximum exemption from the business equipment property tax from \$100,000 per taxpayer per county to \$250,000
	Total Net State Revenue Impact: -\$493,000,000 Average Tax Change for Bottom 20% of Earners: -\$48 Average Tax Change for Middle 20% of Earners: -\$165 Average Tax Change for Top 1% of earners: -\$15,937	Decrease state revenue by -\$450,000,000 (20% of which would go to bottom 80% of earners)	Unknown revenue and taxpayer impact at this time due to lack of specificity	Decrease state revenue by -\$192,000,000 (68% of which would go to bottom 80% of earners and 98% of which would go to Idaho residents)
AJ Balukoff Democrat			Eliminate sales tax on groceries	Eliminate grocery tax credit Allow municipalities to pursue a local option tax
	Total Net State Revenue Impact: -\$42,000,000 Average Tax Change for Bottom 20% of Earners: -\$48 Average Tax Change for Middle 20% of Earners: -\$35 Average Tax Change for Top 1% of Earners: -\$338			Decrease state revenue by -\$192,000,000 (68% of which would go to bottom 80% of earners and 98% of which would go to Idaho residents)

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Candidate		Individual Income Tax	Corporate Income Tax	Sales Tax	Other Tax
Paulette Jordan Democrat Total Net State Revenue Impact: -\$42,000,000 Average Tax Change for Bottom 20% of Earners: -\$48 Average Tax Change for Middle 20% of Earners: -\$35 Average Tax Change for Top 1% of Earners: -\$338	Policy			Eliminate sales tax on groceries	Eliminate grocery tax credit
	Fiscal Impact			Decrease state revenue by -\$192,000,000 (68% of which would go to bottom 80% of earners and 98% of which would go to Idaho residents)	Increase state revenue by +\$150,000,000 (71% of which would come from bottom 80% of earners)
Raúl Labrador Republican Total Net State Revenue Impact: -\$827,000,000 Average Tax Change for Bottom 20% of Earners: -\$127 Average Tax Change for Middle 20% of Earners: -\$470 Average Tax Change for Top 1% of Earners: -\$17,907	Policy	Change tax rates across all income tax brackets to 5%	Lower tax rate to 5%	Lower tax rate to 5%	Eliminate grocery tax credit
	Fiscal Impact	Adjust standard deductions to unspecified level to ensure lower income brackets do not pay more in taxes as a result of increased rates Decrease state revenue by -\$482,000,000 (24% of which would go to bottom 80% of earners) Note: assumes an increase of the standard deduction to \$2,000 for single and \$4,000 for married filing jointly, which would hold most families harmless from the flat income tax rate	Lower tax rate to 5% Decrease state revenue by -\$50,000,000 (14% of which would go to bottom 80% of earners and 19% of which would go to Idaho residents)	Eliminate sales tax on groceries Elimination of grocery sales tax would decrease state revenue by -\$192,000,000 (68% of which would go to bottom 80% of earners and 98% of which would go to Idaho residents) Lowering the sales tax to 5% would decrease state revenue by an additional -\$252,000,000 (62% of which would go to the bottom 80% of earners and 82% of which would go to Idaho residents)	Eliminate unspecified exemptions Grocery tax credit elimination would increase state revenue by +\$150,000,000 (71% of which would come from bottom 80% of earners) Other components have unknown revenue and taxpayer impact at this time due to lack of specificity
Brad Little Republican Total Net State Revenue Impact: -\$244,000,000 Average Tax Change for Bottom 20% of Earners: -\$48 Average Tax Change for Middle 20% of Earners: -\$89 Average Tax Change for Top 1% of Earners: -\$6,847	Policy	Lower top tax rate to 6.15%	Lower tax rate to 6.15%	Eliminate sales tax on groceries	Eliminate grocery tax credit
	Fiscal Impact	Decrease state revenue by -\$181,000,000 (20% of which would go to bottom 80% of earners)	Lowering rate would decrease state revenue by -\$20,000,000 (15% of which would go to bottom 80% of earners and 19% of which would go to Idaho residents)	Decrease state revenue by -\$192,000,000 (68% of which would go to bottom 80% of earners and 98% of which would go to Idaho residents)	Decrease unemployment insurance premium tax rate for employers by an unspecified amount Provide an option to increase maximum exemption from the business equipment property tax from \$100,000 per taxpayer per county to \$250,000 Grocery tax credit elimination would increase state revenue by +\$150,000,000 (71% of which would come from bottom 80% of earners) Increasing the business equipment property tax exemption would cost the state an additional \$9 million annually in net revenue if it reimburses counties Other components have unknown revenue and taxpayer impact at this time due to lack of specificity