

## Taxes

### Employment Tax

This is a common tax levied in some states for a variety of purposes. Though it is a tax-deductible cost of doing business, it is wholly paid by employers on the number of employees in their business.

The following chart is based on county employment data from the Idaho Department of Labor (2003):

County	\$12.00	\$24.00	\$36.00	\$48.00
Ada	\$2,026,716	\$4,053,432	\$6,080,148	\$8,106,864
Canyon	\$787,848	\$1,575,696	\$2,363,544	\$3,151,392

### Gasoline Tax

The Idaho Constitution requires that gasoline taxes and vehicle registration fees – regardless of amount, where collected or under what legislative authority – be used on the public highway system and/or for highway safety. If any of these revenues are to be used for other purposes, the Constitution must first be amended.

The following chart is based on statewide fuel sales factored by county share of Idaho population (2003), the revenues estimated to be produced by the following increases in the gas tax are:

County	\$0.01	\$0.02	\$0.03	\$0.04
Ada	\$2,026,892	\$4,053,784	\$6,080,676	\$8,107,568
Canyon	\$944,455	\$1,888,283	\$2,833,364	\$3,777,818

### Gasoline Sales Tax

A variation of the gasoline tax option would be to apply an additional tax at the following percentages that would be in addition to the gas tax already levied on the volume of gasoline sales. Based on 2002 statewide fuel sales factored by county share and estimated 2003 Idaho population.

County	1.0%	2.0%	3.0%	5.0%	6.0%
Ada	\$1,997,453	\$3,994,906	\$5,992,360	\$9,987,266	\$11,984,719
Canyon	\$930,737	\$1,861,474	\$2,792,212	\$4,653,686	\$5,584,423

### Impact Fees

Impact fees are intended to help pay for one-time infrastructure requirements (generally roads) generated by development. Cities/counties may also impose impact fees for parks and other public areas. The formula in law for determining acceptable impact fees is controversial, complicated, and not related to the factors of the capital and operating expenses of transit systems. The projected funds from impact fees shown below are based on 2002 U.S. Census data.

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County	\$500	\$1,000	\$1,500	\$2,000
Ada	\$1,994,500	\$3,989,000	\$5,983,500	\$7,978,000
Canyon	\$1,382,500	\$2,765,000	\$4,147,500	\$5,530,000

### Local Option Excise Tax

This option would impose an additional local option tax on excise taxes already collected on the sale of beer, wine and alcohol. The revenues that such a tax would generate are too low to fund transit services without supplementing with other options.

### Local Option Sales Tax

Idaho law allows the imposition of a sales tax on certain goods and services on a local option basis. Currently, the state imposes a general sales tax of 5% (subject to a variety of exemptions). This option would allow, on a city or county basis, the imposition of an additional sales tax at the following rates (revenues based on county retail sales tracked by the Idaho Tax Commission 2003-04):

County	0.10%	0.25%	0.50%	0.75%	1.0%
Ada	\$4,905,856	\$12,264,640	\$24,549,920	\$36,793,920	\$49,058,560
Canyon	\$864,611	\$2,161,528	\$4,323,055	\$6,484,583	\$8,646,110

### Personal Income Tax

A geographically restricted income tax surcharge is not a common tax and would require a thorough evaluation as to constitutionality in Idaho before receiving serious consideration. As a consequence, the decision was made not to evaluate it. However, for illustrative purposes, the following example is provided:

Based on estimating county share using a weight (population X per capita income):

State Income Tax Collected (year 2002)	\$1,033,900,324
Surcharge Rate	2.50%

County	Estimated Personal Income Tax Collected	Revenue Based on Surcharge
Ada	\$329,141,682	\$8,228,542
Canyon	\$87,468,812	\$2,186,720

### Personal Property Tax on Vehicles

With minor exceptions, Idaho does not have a personal property tax on vehicles. This is a common method used in other states to help fund not only public transportation needs, but other transportation related and general expense items as well.

This method of taxing vehicles is to base a tax on the age/value of the vehicle (the higher the vehicle value, the higher the tax) with a minimum regardless of how old the vehicle is, as long as it has a current registration. A standard is then established for the value of all newer vehicles based on original cost and current age. For this group, a common tax assessment (such as 0.25% of the value) is established. As the vehicle ages, the value (and tax, if the assessment is kept constant) goes down 10% each year until it reaches a \$15 per year minimum. Trucks and other commercial vehicles would be addressed separately. Based on registered motor vehicles data compiled by the Idaho Transportation Department in 2003, and an assumed value of \$11,200, the following percentage personal property tax levies assessed on the projected value of automobiles per region would produce:

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**Taxes (continued)**

County	0.10%	0.25%	0.50%	0.75%	1.0%
Ada	\$3,121,331	\$7,803,327	\$15,606,653	\$23,409,980	\$31,213,307
Canyon	\$1,288,130	\$3,970,325	\$7,940,650	\$11,910,975	\$15,881,300

**Personal Property Tax on Vehicles – Fixed Tax**

This is a simplified version of the personal property tax described above. It proposes a flat tax on all vehicles registered in a region regardless of type, value or age.

Such a proposal, restricted to Regional Public Transportation Authorities, was introduced during the 1997 Legislative session. The proposal authorized any RPTA, upon approval of the majority of the voters in its region, to impose a vehicle "tax" of up to \$5 per year on all vehicles registered within its region. The proposal passed the House, but died in the Senate for lack of a hearing.

The following chart shows the revenues raised by a flat rate tax of \$5 per vehicle, including passenger (all vehicles under 8,000 pounds), truck (all trucks between 8,000 and 64,000 pounds that are not registered as commercial vehicles) and miscellaneous vehicle classes (motorcycles and other special types of vehicles):

<b>Region 3</b>	<b>\$5.00</b>
<b>Total</b>	<b>\$2,635,735</b>

Region 3 consists of the following counties: Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley and Washington.

**Real Property Tax**

All local governments and "districts," but not Regional Public Transportation Authorities,, are permitted to levy property taxes within limits established by the Legislature. Cities and counties are also permitted to spend public funds on public transportation. This tax is the principle source of local "match" funds currently used for local public transportation services and capital expenditures. The amount available is controlled by the budgeting process within each taxing entity (*amounts not available*). There is no statutory limitation on how much may be used for public transportation.

**Title Transfer Fee**

This option would impose an additional fee for the transfer of automobile titles at the following per-title rates (based on 2002 data from the ITD):

County	\$5.00	\$10.00	\$15.00	\$20.00
Ada	\$736,605	\$1,473,210	\$2,209,815	\$2,946,420
Canyon	\$194,535	\$389,070	\$583,605	\$778,140