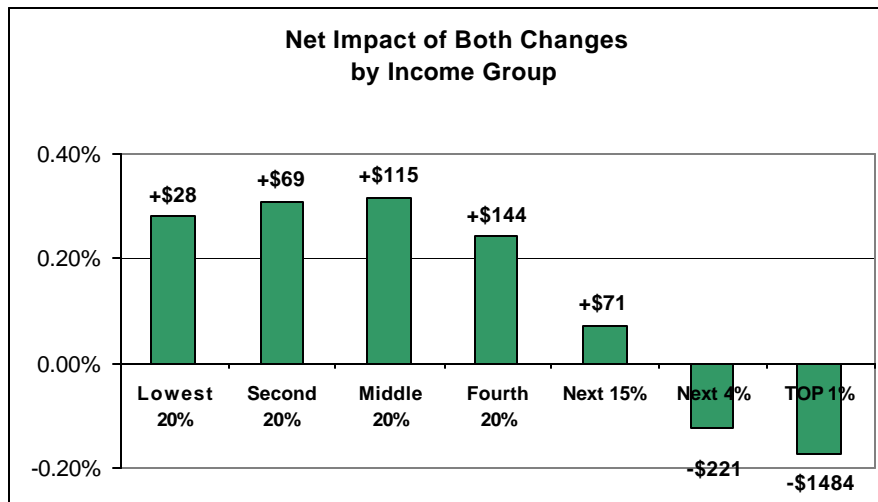
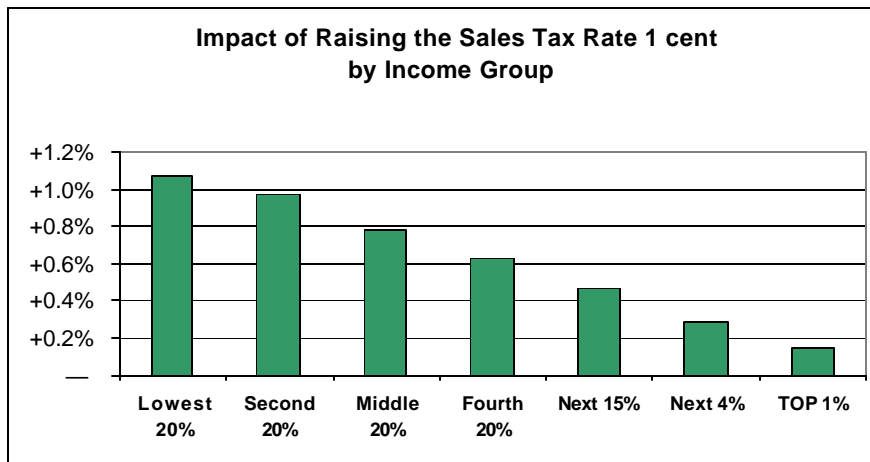
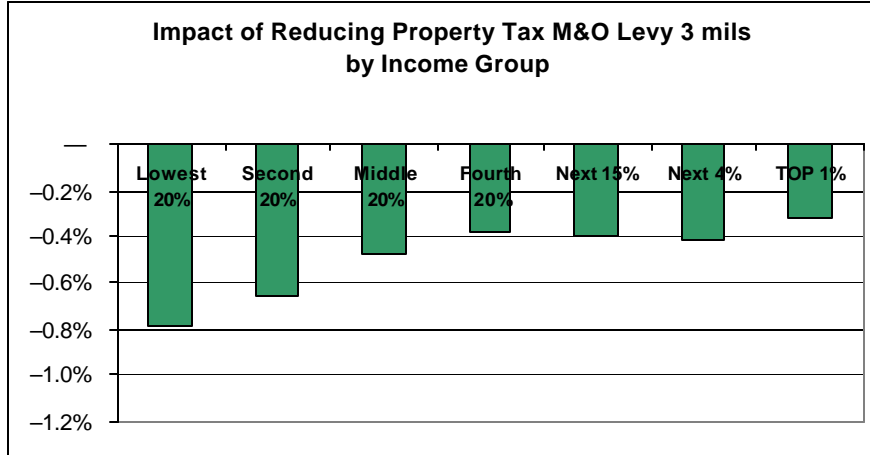


Idaho Center on Budget and Tax Policy

Who Pays if the Property Tax M&O Levy Is Repealed and the Sales Tax Rate Increased?

Repealing all 3 mils of the property tax m&o levy and increasing the sales tax rate 1 cent will saddle most Idaho families with a net tax increase. The table on the following page provides additional detail.



Source: Institute on Taxation and Economic Policy Microsimulation Model

Impact of Property Tax M&O Levy - Sales Tax Swap

All Idaho Taxpayers, 2006 levels

2006 Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income Range	Less Than \$16,000	\$16,000 – \$28,000	\$28,000 – \$48,000	\$48,000 – \$74,000	\$74,000 – \$134,000	\$134,000 – \$298,000	\$298,000 – Or More
Ave. Income in Group	\$10,000	\$22,000	\$36,000	\$59,000	\$95,000	\$179,000	\$863,000

Repeal 3 mil Property Tax M&O Levy

Tax Change as % of Income	-0.8%	-0.7%	-0.5%	-0.4%	-0.4%	-0.4%	-0.3%
\$ Average Change	-79	-145	-169	-225	-375	-744	-2,746

Raise sales tax rate 1 cent

Tax Change as % of Income	+1.1%	+1.0%	+0.8%	+0.6%	+0.5%	+0.3%	+0.1%
\$ Average Change	+107	+214	+284	+369	+446	+523	+1262

Both changes, average tax increase/decrease

Tax Change as % of Income	+0.3%	+0.3%	+0.3%	+0.2%	+0.1%	-0.1%	-0.2%
\$ Average Change	+28	+69	+115	+144	+71	-221	-1484

SOURCE: Institute on Taxation and Economic Policy Microsimulation Model

