



AMERICANS for TAX REFORM

Grover G. Norquist
President

February 11, 2008

Governor Otter
Cc: Idaho House of Representatives
Cc: Idaho State Senate

Dear Governor Otter,

As you know, many Idahoans and Americans in general are feeling the bite of this ailing economy. The citizens of this country are struggling to make their mortgage payments, put gas in their tanks, and put food on the table. With this being the case, anything that you can do to take the burden of government off of the shoulders of the people is commendable.

In your January 12, 2009 State of the State address you proposed cutting the General Fund of Idaho from fiscal year 2009 to fiscal year 2010 by 7 percent, this is a commendable effort. The people of your state are making cuts in their family budgets and prioritizing, it is good that you are looking to do the same with the state budget by making cuts. As you said in your State of the State speech, "Idaho taxpayers are struggling," which presents a great opportunity to cut taxes and government.

With this said, there is never a good time to increase taxes, such as those which your transportation proposal also seeks to implement. Unfortunately, these tax hikes include:

- A tax hike on the gas tax of \$17.6 million in the first year of the gas tax proposal, that will eventually turn into an \$88 million tax increase after 5 years.
- A hike in the registration tax (fee) for vehicles that will raise \$15 million in the first full year of implementation that will raise upwards of \$51 million after 5 years.
- An excise tax of 6% on rental cars (a tax on your constituents who look to rent cars).

All three of these tax increases will burden the taxpayers of Idaho further. I support your cuts in government, but ask that you reconsider these tax increases that will ultimately hurt your constituents.

It is critical to revitalize the Idaho economy with tax cuts, not tax increases. We must lift the burden of larger government from the backs of hardworking taxpayers and consumers instead of further suppressing economic activity. I urge you to stand up for taxpayers and oppose all tax increases. If you have any questions, please contact Nathan Pick, state affairs manager, at (202) 785-0266.

Onward,

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