



C.L. "BUTCH" OTTER
GOVERNOR

March 24, 2015

The Honorable Scott Bedke
Speaker of the House
State Capitol
Boise, ID 83702

Dear Mr. Speaker,

I hereby advise you that I have transmitted today to the Secretary of State the following House Bill, which was allowed to become law without my signature:

HB 75

as prescribed by the Constitution.

I support exempting eyeglasses, eyeglass components and contact lenses from Idaho's 6-percent sales tax. These are the last medical devices subject to the State sales tax, and there is no justification for that to continue.

However, my concerns and my decision to allow House Bill 75 to become law without my signature stem from the potential cost in General Fund tax dollars as stated in the legislation's fiscal impact statement. Both \$1.4 million in foregone revenue during fiscal 2016 and \$2.8 million in each subsequent year is a substantial bite from an apple on which more and more public interests rely for sustenance.

The Senate seemed to reflect that concern in its 18-17 vote for legislation that was approved so handily in the House. I encourage the Tax Commission, the Division of Financial Management, JFAC and all legislators to closely monitor the actual fiscal impacts with an eye toward a continuous practice of prioritization and judicious use of General Fund dollars – whether expended or foregone.

As Always – Idaho, "Esto Perpetua"

A handwritten signature in black ink that reads "C.L. 'Butch' Otter".

C.L. "Butch" Otter
Governor of Idaho

Cc: Lieutenant Governor Brad Little