

Utah Treasurer To File Suit On Tax Rebate

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State Treasurer Linn C. Baker will go to 3rd District Court Friday with a lawsuit aiming to stop the \$56 million statewide property tax rebate.

Mr. Baker said Thursday afternoon "I just have to do it. . . . I feel if I didn't I would be violating my oath of office."

The treasurer met Thursday morning over breakfast with Gov. Scott M. Matheson to discuss the treasurer's plan. Gov. Matheson, while not supporting Mr. Baker's position, told Mr. Baker he would accede to a court test of the treasurer's position that the rebates are refunds of "excess" state revenues that don't really exist as such.

Mr. Baker received a copy of a petition and request for injunction and was studying it Thursday afternoon. Assistant Attorney General Craig L. Barlow is handling the case.

The injunction would stop the honoring of and issuance of rebate checks, which just started to go into the mails several days ago.

"If I'm proved wrong, there will be some delays in renters' checks," Mr. Baker said. The case will most likely be resolved by the time homeowners would otherwise be filing their rebate applications — late this year after property tax bills are sent out.

Mr. Baker said "I question that the monies now invested by the state treasurer are what could be properly called 'excess'."

'Working Capital'

"Excess, as defined, is that which is beyond necessity. Excessive implies an amount too great to be reasonable. My feeling is that these funds would more properly be termed 'working capital'."

By the investment of otherwise idle funds — tax collections which are not yet needed to be spent — the state earned \$14.1 million, during the last fiscal year, Mr. Baker said.

"These monies are invested, for the most part, in Utah banks which, I feel, does much for the economy of the state by making monies available to Utah citizens."

Violates Provisions

"This, in my opinion, is of greater benefit to public welfare than a so-called 'equitable' tax rebate where \$100 will be the amount received by tax payers hardest hit by the increased cost of living and property taxes. . . ."