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FOR IMMEDIATE RELEASE
November 10, 2014

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Illinois Voters Remain Opposed to Tax Hike Extension; Attitudes May Be Changing on Government Funding

Among the biggest challenges facing Illinois statehouse policy-makers in the wake of last week's election is whether to extend the "temporary" income tax increase in the face of broad public resistance.

According to a statewide poll of registered voters conducted this fall by the Paul Simon Public Policy Institute at Southern Illinois University, a solid majority (56.1 percent) opposes renewing the income tax rate of 5 percent, with most of those (32.6 percent) strongly opposing it.

Barely a third (32.0 percent) favor or strongly favor extending the income tax increase, about the same as the "strong" opposition.

"Regardless of your feelings about state taxation, reducing the income tax increase from 5 percent to 3.75 percent on December 31 would blow a massive hole in the state's budget," said David Yepsen, director of the Simon Institute. "But extending or making permanent the 'temporary' increase will be difficult for legislators to do because of the strong opposition. So what should a governor and a legislature do: keep an unpopular tax increase, or make draconian cuts?"

The live-interview telephone poll of 1,006 registered voters in Illinois was conducted September 23 through October 15 and has a margin for error of plus or minus three percentage points at the 95 percent confidence level.

Though most voters still dislike the idea of extending the income tax increase, there is evidence from past statewide Simon Polls that opposition to raising state revenue is softening.

- For example, in the Spring 2014 Simon Poll, opposition to the tax-hike extension was 60.3 percent compared to this fall's 56.1 percent, and support grew from 26.6 percent to 32 percent.
- Further, there appears to be movement in a budget-preference question the Simon Institute has been asking since 2010: whether the way to fix the Illinois budget deficit is through tax increases, cuts in "waste and inefficiency," or a combination of cuts and tax increases.

In 2010, 57 percent said the budget could be fixed by cutting waste and inefficiency, while 43.1 percent held that opinion in 2014.

In 2011, only 6.9 percent thought that the only way to fix the budget problem was just to increase revenues, but that grew to 15.5 percent in fall 2014.

In 2010, 26.6 percent said the solution to the deficit included budget cuts and revenue increases - a figure that grew to 32.1 percent in 2014.

"Opposition to keeping the income tax is not surprising," said Simon Institute Visiting Professor Charlie Leonard, one of the supervisors of the poll. "Politicians promising to cut taxes and to increase services have become, unfortunately, a dishonest part of the game of campaigning."

"What we may be seeing in the time series results, after many years of coverage of Illinois' budget problems, is the beginning of a public realization that the state has to pay the piper—that the money to run government services has to come from taxes and fees," Leonard said. "It doesn't come from bake sales."

The poll also showed that while Illinoisans remain tax averse, it appears the appeal of the Tea Party movement has waned somewhat since the Simon Poll first asked about it.

- In 2010, four in ten respondents (41.2 percent) agreed or strongly agreed with the Tea Party, compared with just 20.7 percent in 2014. However, disagreement didn't jump as much as agreement fell; 36.4 percent disagreed or strongly disagreed with the Tea Party in 2010, compared with 38.4 percent today.

The difference, so to speak, is indifference. One in five (19.4 percent) expressed no opinion of the Tea Party in 2010, while almost twice as many (36.9 percent) had no opinion in 2014.

- Similarly, while a third of respondents (33.1 percent) in 2010 said they would be more likely to vote for a Tea Party candidate, that number fell to about one in five (20.7 percent) in 2014.

The "less likely" figure grew less than the "more likely" figure fell, from 45.5 percent in 2010 to 48.7 percent in 2014. Much of the difference was made up in the "neither more nor less" category, which grew from 10.3 percent in 2010 to 16.5 percent in 2014.

The Simon Poll interviewed 1,006 registered voters across Illinois. It has a margin for error of plus or minus 3 percentage points at the 95 percent confidence level. This means that if we were to conduct the survey 100 times, in 95 of those instances the results would vary by no more than plus or minus 3 points from the results obtained here. The margin for error will be larger for demographic, geographic and response subgroups.

Live telephone interviews were conducted by Customer Research International of San Marcos, Texas. Cell phone interviews accounted for 30 percent of the sample. A Spanish language version of the questionnaire and a Spanish-speaking interviewer were made available. Fieldwork was conducted from September 23 through October 15. Customer Research International reports no Illinois political clients. The survey was paid for with non-tax dollars from the Institute's endowment fund.

Cross tabs for the referenced Fall 2014 questions will be on the Institute's web site, paulsimoninstitute.org.

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Simon Poll Fall 2014

Table 1

Do you favor or oppose a proposal to make permanent the temporary state income tax increase, which is set to expire this December 31st?

Response	Spring 2014	Fall 2014
Strongly favor	9.6%	12.1%
Favor	17.0%	19.9%
Oppose	22.3%	23.5%
Strongly oppose	38.1%	32.6%
Other/Don't know	13.2%	11.9%

Table 2

The state of Illinois has a budget deficit of over 6 billion dollars. I'm going to read three statements that people have made about how to fix the deficit and ask you which one comes closest to your views. If you haven't thought much about the issue just tell me that. First is . . . (Rotate statements)

"Illinois public programs and services have already been reduced significantly. We can only fix the issue by taking in more revenue, such as a tax increase."

"The state takes in plenty of money to pay for public services, but wastes it on unnecessary programs. We can fix the problem by cutting waste and inefficiency in government."

"Illinois' budget problem is so large it can only be solved by a combination of budget cuts and revenue increases."

<u>Response</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2013</u>	<u>2014</u>
More revenue	9.5%	9.3%	6.9%	7.5%	15.6%
Cut waste	56.5%	57.0%	57.7%	54.7%	43.1%
Combination	27.3%	26.6%	28.5%	28.8%	32.1%
Haven't thought	3.4%	3.4%	3.0%	4.5%	4.9%
Don't know	3.4%	3.7%	3.9%	4.5%	4.3%

Table 3

From what you know, do you strongly agree, agree, disagree, or strongly disagree with the Tea Party movement, or don't you have an opinion either way?

<u>Response</u>	<u>2010</u>	<u>2014</u>
Strongly agree	17.0%	11.2%
Agree	24.2%	9.5%
Disagree	16.3%	7.7%
Strongly disagree	20.1%	30.7%
Neither agree nor disagree	19.4%	36.9%
Other/Don't know	3.1%	4.0%

Table 4

Would you be more or less likely to vote for a candidate that was affiliated with the Tea Party movement?

<u>Response</u>	<u>2010</u>	<u>2014</u>
More likely	33.1%	20.2%
Less likely	45.5%	48.7%
Neither more nor less	10.3%	16.5%
Other/Don't know	11.2%	14.6%