

paulsimoninstitute.org

FOR IMMEDIATE RELEASE
March 26, 2015

Contact:
Charlie Leonard
618-303-9099
David Yepsen
618-559-5854

Illinois voters give mixed responses to revenue measures

Three-fourths of registered voters in Illinois would support a 3 percent “millionaires’ tax” on income above \$1 million, according to the latest release from a statewide poll by the Paul Simon Public Policy Institute at Southern Illinois University Carbondale.

Further, two-thirds would support a constitutional amendment to impose a graduated, progressive state income tax to replace the state’s current “flat” tax structure.

However, these tax policies would require amending the state constitution—a difficult proposition while a number of other measures, which could be instituted by legislation, face less favorable political winds.

The statewide poll of 1,000 registered voters was conducted February 28 – March 10 by the Paul Simon Public Policy Institute at Southern Illinois University Carbondale. The survey has margin for error of plus or minus 3 percentage points. The live-interview survey’s sample included 30 percent cell-phone respondents.

“The results of this survey don’t reveal a magic bullet for raising revenues to fix the budget gap,” said Charlie Leonard, a Paul Simon Institute visiting professor who helped supervise the poll. “The so-called millionaires’ tax and the graduated income tax system are widely popular, and would bring in significant revenue, but they would require a constitutional amendment.”

The survey also found:

*Illinois voters are evenly divided on the question of expanding the list of services subject to the state sales tax. There are 48.3 percent who favor this idea and 47.4 percent opposed. There are 4.3 percent who don’t know.

*A majority of respondents (53.4 percent) said they would favor or strongly favor expansion of legalized gambling. A plurality (48.3 percent) said they favored or strongly favored an expansion of the sales tax to cover services as well as goods, virtually tied with opposition to the measure (47.4 percent).

“Expanded gambling has majority support, but it would not significantly fill the hole—and gambling brings with it social ills that might offset some of its benefits,” Leonard said. “The rest of the items would be a tough sell to voters. The sales tax expansion might have the best hope.”

*Only about a third of respondents (34.6 percent) favored or strongly favored a proposal to restore the recently expired temporary state income tax increase from 3.75 percent to 5 percent.

*Even fewer respondents (23.8 percent) favored or strongly favored taxing retirement income. However, in a follow-up question asked of those who opposed the measure, an additional 45.7 percent said they would favor taxing retirement income if it was restricted only to income above \$50,000.

But, Leonard said, “If we add the percent who favored taxing retirement in the first question to those who, in the follow-up question, favored taxing retirement income above \$50,000, we get a majority favoring taxing retirement income at some level.”

*Least popular was a proposed 10 cent per gallon tax on gasoline (26.1 percent favor or strongly favor). A gas tax has been proposed as a solution to Illinois’ infrastructure needs, and some have suggested that when gas prices are low, voters might accept a gas tax, though this result suggests otherwise.

Partisan Differences in Support for Revenue Enhancement

As might be expected, these proposals to enhance revenue meet with different receptions, depending upon respondents’ politics. For example, clear majorities of Democrats (86.4 percent) and Independents (72.1 percent) favored the so-called millionaires’ tax, compared with a smaller majority (63.6 percent) of Republicans.

Also, almost eight Democrats in ten (79.9 percent) favored or strongly favored the proposal to create a graduated income tax structure, compared with two-thirds (65.3 percent) of Independents and just half (50.3 percent) of Republicans.

There was less partisan variation in response to the proposal to expand the sales tax to cover services. Half (50.2 percent) of Democrats and Republicans (50.7 percent) favored or strongly favored this proposal, as opposed to 46.3 percent of Independents.

Similarly, majorities in each group favored or strongly favored an expansion of legalized gambling: 54.1 percent for Democrats, 54.4 percent for Independents, and 50.3 percent among Republicans.

Applying the income tax to retirement income—before an income threshold is introduced—was unpopular across the board, favored by only 28.1 percent of Democrats, 21.6 percent of Republicans, and 16.3 percent of Independents. Among opponents of this idea, taxing retirement income only above \$50,000 raised favorability to 50.2 percent of Democrats, 40 percent of Independents, and 43.9 percent of Republicans.

Restoring the income tax rate to 5 percent did not even reach half among Democrats (45.2 percent), and did even worse among Independents (27.9 percent) and Republicans (24.7 percent).

Only about a third of Democrats (34 percent) favored a ten-cent-per-gallon tax on gasoline, followed by a quarter of Independents (25.2 percent) and even fewer Republicans (17.8 percent).

“The state faces a current budget shortfall so the millionaire’s tax or a progressive income tax isn’t going to help because they’d take a long time to enact,” said David Yepsen, director of the Institute. “Policy makers might have better luck with voters by expanding the base of the sales tax or taxing retirement income on people earning more than \$50,000 year or expanding gambling. However those three ideas wouldn’t raise enough to plug the entire gap.”

#

The Simon Institute Poll interviewed 1,000 registered voters across Illinois. It has a margin of 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.

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. Field work was conducted from February 28 – March 10. No auto-dial or “robo” polling is included. Customer Research International reports no Illinois political clients. The survey was paid for with non-tax dollars from the Institute’s endowment fund. Crosstabs for the referenced questions will be on the Institute’s web site, paulsimoninstitute.org, or directly at www.simonpoll.org.

Simon Institute polling data are also archived by three academic institutions for use by scholars and the public. The three open source data repositories are: the University of Michigan’s Inter-university Consortium for Political and Social Research (OpenICPSR; <http://openicpsr.org/repoEntity/list>), the University of North Carolina’s The Howard W. Odum Institute for Research in Social Science Dataverse Network (<http://arc.irss.unc.edu/dvn/dv/PSPPI>), and the Simon Institute Collection at OpenSIUC (<http://opensiuc.lib.siu.edu/ppi/>).

Note: The “Paul Simon Public Policy Institute Poll,” the “Simon Poll” and the “Southern Illinois Poll” are the copyrighted trademarks of the Board of Trustees of Southern Illinois University. Use and publication of these polls is encouraged- but only with credit to the Paul Simon Public Policy Institute at SIU Carbondale

Table 1 - Illinois Attitudes toward Taxes

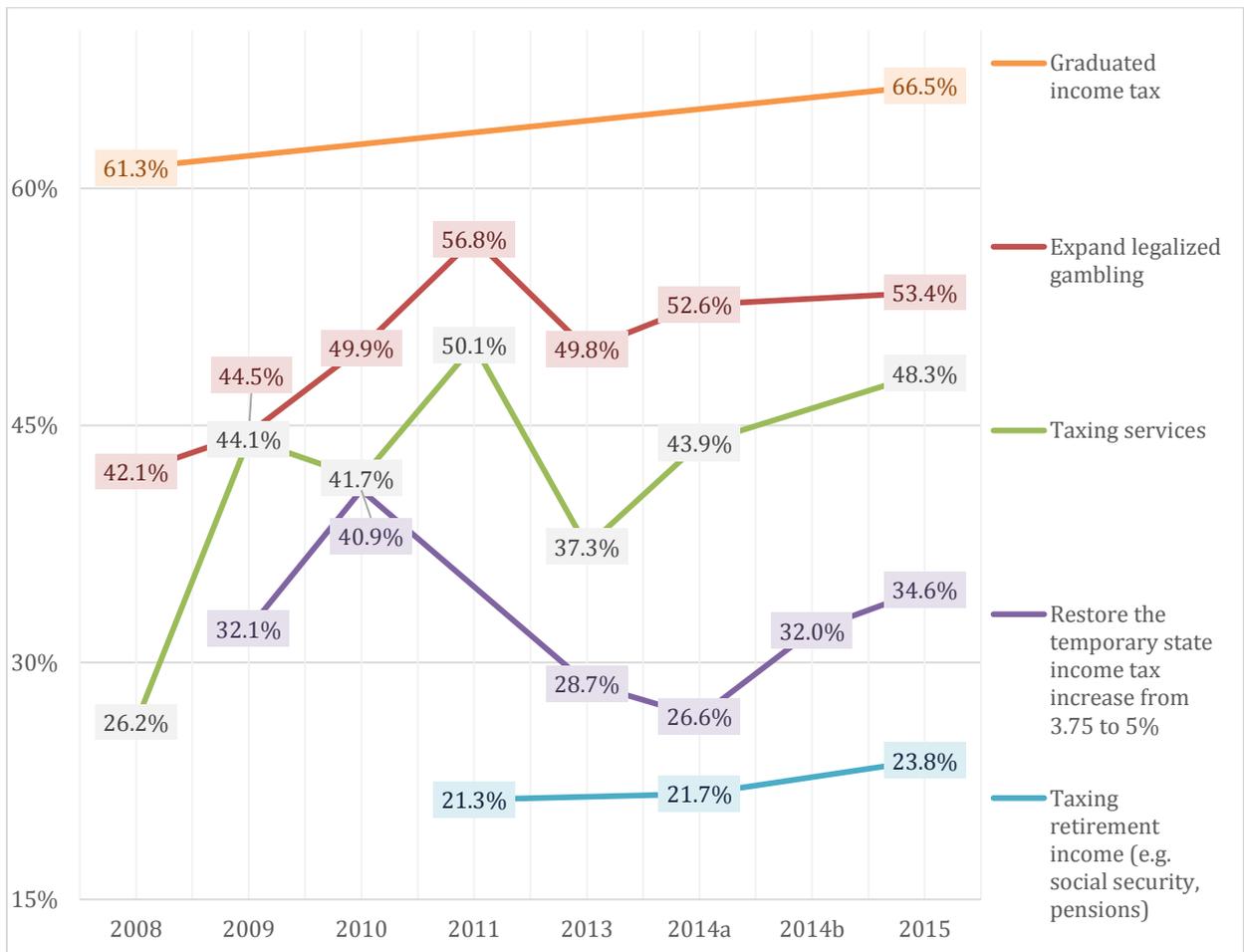
There have been a number of proposals to address the state's budget problems by finding ways to raise more money to pay for programs and services. I'm going to read several areas where people have suggested that more money could be raised. For each one that I read, I'd like you to tell me whether you favor or oppose raising revenues in that way, ok?

Percentage Favoring Proposals to Increase Revenue 2008-2015

	2008	2009	2010	2011	2013	2014a	2014b	2015
Raising the state gasoline tax by 10 cents per gallon	--	--	--	--	--	--	--	26.1%
Taxing services	26.2%	44.1%	41.7%	50.1%	37.3%	43.9%	--	48.3%
Expand legalized gambling	42.1%	44.5%	49.9%	56.8%	49.8%	52.6%	--	53.4%
Taxing retirement income (e.g. social security, pensions)	--	--	--	21.3%	--	21.7%	--	23.8%
Restore the temporary state income tax increase from 3.75 to 5%	--	32.1%	40.9%	--	28.7%	26.6%	32.0%	34.6%
Impose an extra 3% state tax on all income above \$1 million a year	--	--	--	--	--	--	--	75.5%
Graduated income tax	61.3%	--	--	--	--	--	--	66.5%

Note: These questions were not answered in 2012.

Figure 1 – Percentage of Voters Favoring Proposed Tax Increases, 2008-2015



Note: This chart illustrates more positive attitudes toward these tax proposals. All questions were not asked each year. For example, the line between 2010 and 2013 on opinions about the temporary income tax increase skips over 2011 because this question was not asked that year.

Further, because of changes in legislation, the question about an income tax increase has changed over the years. Before the temporary tax was instituted in 2011 we asked about hypothetical increases: in 2009 we asked about raising the income tax from 3 percent to 4.5 percent, and in 2010 we asked about raising it from 3 percent to 4 percent. From 2013 to fall 2014 we asked about making the temporary income tax increase permanent. In the most recent poll we asked about reinstating the temporary income tax increase.

Appendix: Support for Tax and Revenue Measures

There have been a number of proposals to address the state's budget problems by finding ways to raise more money to pay for programs and services. I'm going to read several areas where people have suggested that more money could be raised. For each one that I read, I'd like you to tell me whether you favor or oppose raising revenues in that way, OK?

Would you favor or oppose raising the state gasoline tax by 10 cents per gallon?

Response	Percent (n=1000)
Favor	26.1%
Oppose	72.4%
Other/don't know	1.5%

Do you favor or oppose expanding the sales tax to cover services like dry cleaning or haircuts, which are not currently taxed?

Response	Percent (n=1000)
Strongly favor	20.7%
Somewhat favor	27.6%
Somewhat oppose	15.7%
Strongly oppose	31.7%
Other/don't know	4.3%

Do you favor or oppose a proposal expanding legalized gambling in the state?

Response	Percent (n=1000)
Strongly favor	29.6%
Somewhat favor	23.8%
Somewhat oppose	13.2%
Strongly oppose	28.8%
Other/don't know	4.6%

Do you favor or oppose applying the state income tax to retirement income, such as pensions and Social Security?

Response	Percent (n=1000)
Favor	23.8%
Oppose	70.0%
Other/don't know	6.2%

Would you favor or oppose applying the state income tax to retirement income if it exempted from taxes the first \$50,000 earned per year? (*If oppose q20*)

Response	Percent (n=700)
Favor	45.7%
Oppose	48.0%
Other/don't know	6.3%

Do you favor or oppose a proposal to restore the temporary state income tax increase, raising it from 3.75 percent to 5 percent?

Response	Percent (n=1000)
Strongly favor	15.7%
Somewhat favor	18.9%
Somewhat oppose	18.5%
Strongly oppose	43.5%
Other/don't know	3.4%

Do you favor or oppose a proposal to impose an extra 3 percent state tax on all income above \$1 million a year?

Response	Percent (n=1000)
Strongly favor	59.5%
Somewhat favor	16.0%
Somewhat oppose	6.8%
Strongly oppose	14.5%
Other/don't know	3.2%

Would you favor or oppose a proposal to change the Illinois Constitution to allow a graduated income tax—that is, tax rates would be lower for lower-income taxpayers and higher for upper-income taxpayers?

Response	Percent (n=1000)
Strongly favor	43.2%
Somewhat favor	23.3%
Somewhat oppose	9.4%
Strongly oppose	18.2%
Other/don't know	5.9%