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# Rocky Mountain Poll

NEWS RELEASE [RMP 2003-I-04]

Contact: Earl de Berge  
Research Director

RAISING TAXES TO ADDRESS BUDGET CRISIS  
NOT RULED OUT BY VOTERS:  
MORE BELT TIGHTENING EXPECTED

Phoenix, Arizona, January 17, 2003. While raising any taxes would be very unpopular with the Republican-controlled legislature and would fly in the face of campaign promises made by newly-elected Democrat Governor Janet Napolitano, it is no longer certain that the public has no stomach for tax increases to address the issue of how to balance the state budget. Fifty-four percent of taxpayers say they would not rule out the State of Arizona using temporary tax increases as tools to help end the budget crisis here. At the same time, an even greater percentage (66%) believe the state should do more to reduce spending than has been done to date, a sentiment that seems to be reflected in Governor Napolitano's budget plan unveiled on Thursday.

A major caveat attached to support for raising taxes is that any tax increases should be temporary and terminated once the economy revives and the budget crisis is over.

One of the conundrums in the configuration of current public opinion on this issue is that taxpayers who remain proponents of the state government making even deeper cuts in spending are simultaneously opposed to making those cuts in the major ticket items of education, health or protective services. As a result, given the small proportion who think a balanced budget can be achieved only through reduced spending, coupled with the reluctance of most of these same people to support cuts in the State's biggest spending categories, it appears that voters are already sensing the need to look to the revenue side of the equation for a lasting answer. Put in other words, while it may seem like an unnatural act for taxpayers to ever look favorably on increased taxes of any kind, more belt tightening and temporary tax increases may become more popular than endless rounds of budget cutting.

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As of the time of this survey, 30 percent favor more cuts to the budget as the best method to balance the budget, 18 percent favor temporary tax increases, while 36 percent feel doing both would be appropriate.

Among taxpayers who say they favor temporary tax hikes to help ease the current revenue shortfall, there is no majority agreement as to which taxes it might be best to temporarily hike. Nonetheless, a plurality favor turning to the sales tax, a concept that would undoubtedly draw resistance from county and city governments who rely heavily on these taxes. There is very little public appetite for turning to state property taxes (16%) for the money and only three in ten favor hikes in the state income tax.

Another surprising finding in this study is that although the balanced budget issue has been news for more than two years and was the lead issue in the recent election, four of ten taxpayers and 35 percent of registered voters say they are unaware that the state budget crisis even exists, or that the state has already taken numerous measures to cut spending in its effort to balance the budget.

The findings outlined in this report are based on a survey of 675 adults across Arizona conducted between January 3<sup>rd</sup> and January 7<sup>th</sup>, 2003, by the Behavior Research Center of Arizona as part of the Center's independent and non-partisan Rocky Mountain Poll series. The public is welcome to visit [www.brcpolls.com](http://www.brcpolls.com) to read this and other recent polls.

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EDITOR'S NOTE: This Rocky Mountain Poll Arizona (2003-I-04) is based on 675 telephone interviews with adults across Arizona including 516 registered voters, conducted from January 3<sup>rd</sup> through January 7<sup>th</sup>, 2003. In the overall sample, one may say with 95 percent certainty that the results have a statistical precision of plus or minus 3.8 percent of what they would have been had the entire adult population been surveyed. The Rocky Mountain Poll is conducted by the Behavior Research Center of Arizona and is an independent and non-partisan research program.

This statement conforms to the principles of disclosure of the National Council on Public Polls.

**ENCLOSED:** Statistical data for reference.

For this and other polls, see [www.brcpolls.com/results](http://www.brcpolls.com/results).

**STATISTICAL DATA**

Behavior Research Center  
Rocky Mountain Poll - Arizona  
RMP 2003-I-04

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*"As you may be aware, the state government of Arizona is prohibited by law from deficit spending. It must seek a balanced budget in which spending and revenues are equal. Because of the slow economy, state revenues are low and balancing the budget has become very difficult. The state has already laid off employees, cut spending across the board, eliminated some programs and made use of its rainy day fund. Were you aware of this situation before I read it to you just now?"*

Yes	60%
No	37
Not sure	3

*"Looking to this year's budget, it is expected that the economy may recover somewhat, but that state revenues will still be low. This will require the state legislature and governor to make some difficult decisions to keep state government operating to meet the needs of the people. Of the following three choices, which do you favor?"*

Continue to cut the state budget	30%
Raising some taxes temporarily to see us through the recession	18
Do both	36
Not sure	16

*"Would you still favor budget cuts if it meant making cuts in the following categories...?"*  
(Asked of those answering cut budget or "do both")

	Yes	No	Don't Know
Public safety, including prisons and police services	30%	66%	4%
Health care, including services to the elderly and poor	20	75	5
Education and schools	25	73	2

*"Which of the following three taxes do you think it would be best to raise: property tax, sales tax or state income tax?"* (Asked of those answering "temporary tax increase" or "do both.")

Property tax	16%
Sales tax	44
State income tax	30
None of these	5
Not sure	5