WHAT GEORGIANS ARE THINKING ABOUT TAXES

The Fiscal Research Center sponsored telephone surveys of Georgians in the spring of 2003 and in the fall of 2004 to take the pulse of public opinion on a variety of fiscal issues. This policy brief summarizes some of the changes in attitude of Georgians on a select number of fiscal issues between 2003 and 2004.

Overview of the Survey
The surveys asked a number of questions about specific revenue and expenditure issues. One group of questions concerned general tax increases while another group focused on tax increases where the increased revenues were used for a specific purpose. An example in the first group was: "Which of the following taxes would you recommend be increased to fill a budgetary shortfall? Sales tax, income tax, gas tax, etc." An example of the second type of question was: "Would you support an increase in the tax on gasoline if...the revenue was used to build more highways?" This brief focuses on the results of the second type of question for gasoline and tobacco taxes.

Poll Results
On the whole, the general attitudes of Georgians toward fiscal issues did not change markedly between 2003 and 2004. The most overwhelming trend is that people are less willing to support any increase in taxes in 2004 for any reason compared to 2003. This result may reflect the depth of the recession that hit Georgia in 2001 and the growing awareness of sluggish job growth since the recession.

"Sin taxes," taxes on alcohol and tobacco, remain the most acceptable way to increase revenues according to the poll results. In 2003 and 2004, if tobacco tax increases were used to support smoking cessation programs or cancer research, nearly 80 percent or more of the respondents said they would vote yes for such a tax increase. No other "tax increase-expenditure earmark" received such a positive response in 2003 and 2004.

The chart below demonstrates the difference in support of revenue increases for tobacco and gas taxes without earmarking the increased revenue for any purpose (top portion of the chart) and with earmarked usage of the income (bottom portion of the chart). In the case of tobacco tax increases, an increase for smoking cessation programs received overwhelming support in both years. The respondents were also more likely to support gas tax increases for purposes such as public transit, sidewalks, and reduced congestion than for building new highways or as a means to reduce driving. In both years, over half of the respondents supported gas tax increases for more public transit, sidewalks and reduced congestion, while only between 30 and 42 percent supported gas tax increases for the...
other purposes in both years. In most cases, the
difference in responses for this set of questions
between 2003 and 2004 is relatively small.

The surveys were conducted as telephone polls
based on a random sample of telephone numbers
from around the state. In 2003 the poll sampled
836 people and in 2004 the sample size was 637.
The margin of error for the 2003 and 2004 poll is
3.3 percent and 3.9 percent respectively.

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