

The Star-Ledger/Eagleton-Rutgers Poll

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RELEASE INFORMATION

A story based on the survey findings presented in this release and background memo will appear in Sunday's *Star-Ledger*. We ask users to properly attribute this copyrighted information to "*The Star-Ledger/Eagleton Poll*."

JERSEYANS FEEL STATE INCOME TAX CUT WILL HELP ECONOMY;

BUT REJECT IT IF IT MEANS HIGHER PROPERTY TAXES

A majority (61%) of New Jersey residents feel that Governor Whitman's plan to cut state income tax rates by 30 percent over three years will help stimulate New Jersey's economy, and half of the state's residents believe that Whitman will be able to provide this tax cut.

And while about half of the state's residents agree with the tax cut plan even if it requires a reduction in state programs and services, residents disagree with the plan by a 3-to-1 margin if it means an increase in their property taxes.

The latest *Star-Ledger/Eagleton* Poll, conducted with 801 New Jerseyans by telephone between February 10 and 16, 1994, shows that state residents are particularly critical of the property taxes they pay. About 7-in-10 say their property tax bill is too high, and only about one-fifth feel they get their money's worth for the property taxes they pay. In comparison, less than half say the state income taxes they pay are too high, and about one-third feel they get their money's worth from the state income tax.

Further, property taxes are viewed as the single worst tax by a majority (54%) of New Jerseyans. One-in-five view the federal income tax as the most unfair tax, while 10 percent point to the state sales tax and 9 percent say the state income tax is the worst tax.

ATTENTION RADIO STATIONS:

Audio is available after 8:00 A.M. on Monday, February 28, 1994, from (908)445-3605 (Rutgers Feature Phone).

Associate Poll Director Ken Dautrich said, "As one might expect, people support the idea of a state income tax cut and are inclined to believe it will stimulate economic growth. But New Jerseyans' distaste for the property tax is much stronger than their distaste for the state income tax — and so a cut in state taxes is more than welcome provided it doesn't come at the expense of a higher property tax bill."

WHITMAN'S PLAN TO CUT STATE INCOME TAX RATES

About 3-in-5 New Jersey residents feel that Governor Christie Whitman's plan to cut state income tax rates by 30 percent over three years, starting with a 5 percent cut this year, will help New Jersey's economy either a lot (31%) or a little (30%). Only 14 percent think the tax cut plan will hurt the state's economy. Feelings about the plan differ among partisan groups, with nearly three-quarters (73%) of Republicans saying the tax cut plan will help the economy, compared to 61 percent of independents and 55 percent of Democrats.

If enacting the tax plan might require a reduction in state programs and services, 47 percent of the state's residents continue to agree either strongly (21%) or mildly (26%) with the proposal, while 44 percent disagree with it (20% mildly and 24% strongly).

However, agreement with the plan diminishes dramatically if it means that property taxes might increase. Nearly three-quarters of residents strongly (51%) or mildly (21%) disagree with the plan if it means that their town may receive less state aid and so might need to raise property taxes to make up the loss.

Overall, 7 percent of New Jerseyans think they will personally benefit a great deal from the Governor's plan to reduce state income tax rates and 41 percent will gain some benefit. One-third see not much (34%) personal benefit from the tax cut, and 17 percent feel they will not benefit at all. Republicans (58%) are most likely to say they will see at least some benefit from the tax cut, compared to 50 percent of independents and 41 percent of Democrats.

In assessing the chances that Whitman will be able to accomplish the three-year 30 percent tax cut plan, half of residents say it is either very (10%) or somewhat (40%) likely, while 31 percent say it is not too likely and 16 percent feel it is not at all likely that Whitman will be able to achieve this tax cut.

In terms of knowledge about the Governor's plan to cut the state income tax, two-thirds of New Jersey residents have read or heard either a lot (21%), some (25%), or a little (19%) about it. The remaining 34 percent report they have read or heard nothing at all about the tax cut plan.

NEW JERSEYANS' FEELINGS ABOUT DIFFERENT TAXES

Among the various taxes New Jerseyans pay, local property taxes are the most unpopular. When asked to identify the single worst tax or the tax that is the least fair, more than half (54%) single out their local property taxes. About one-fifth (22%) say that the federal income tax is the worst tax, 10 percent say it is the state sales tax, and 9 percent feel the state income tax is the least fair. Residents with family incomes under \$20,000 (63%) are most likely to identify the property tax as the worst tax.

When asked to identify the fairest tax, or the one that gives the most for the money, 26 percent say it is the federal income tax, 22 percent say the state income tax, 21 percent feel it is the state sales tax, and 16 percent say the local property tax is the fairest.

PERCEIVED VALUE OF STATE INCOME AND LOCAL PROPERTY TAXES

In specifically thinking about the state income tax, slightly more than one-third (36%) of state residents feel that they get their money's worth for the taxes they pay while about 6-in-10 (58%) feel they pay too much for what they get.

North Jersey residents (41%) are more likely to think that they get their money's worth from the state income taxes they pay than are those living in Central (28%) or South (33%) Jersey. Also, non-urban dwellers (38%) are more likely to feel they get their money's worth than urban residents (29%).

Even fewer people see value for the money they pay in local property taxes: 22 percent feel they get their money's worth and 68 percent feel they pay too much for what they get.

Residents of South Jersey (27%) are more likely to say they get their money's worth for the property taxes they pay than those in Central (21%) or North (19%) Jersey. Also, more non-urban (24%) than urban (12%) residents feel they get their money's worth for their property tax bill.

In thinking about how much they pay in state income taxes, 19 percent say it is much too high, another 27 percent say it is a little too high, and nearly half (48%) of New Jerseyans feel their state income taxes are about right. This contrasts sharply with feelings about how much residents are paying in property taxes, where 44 percent say their local tax bill is much too high, another 25 percent say it is a little too high, and only 22 percent say their property taxes are about right.

PROPERTY TAX CHANGES IN THE PAST YEAR

Three-fifths of the state's residents report that their property taxes have gone up either a lot (29%) or a little (30%) in the past year, while one-fourth (26%) say they stayed the same. Two percent report a drop in their own property taxes, and the remaining 12 percent are not sure if their taxes had changed.

Among those who say their property taxes have gone up, 38 percent say the local schools are most responsible for the increased taxes, another 21 percent feel local government is most responsible, 19 percent say state government, and 13 percent feel it is county government.

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BACKGROUND MEMO — RELEASE SL/EP47-2 (EP97-2), SUNDAY, FEBRUARY 27, 1994

The latest *Star-Ledger*/Eagleton Poll was conducted between February 10 and February 16, 1994, when a random sample of 801 New Jerseyans, 18 years and older, was interviewed by telephone. Figures based on this sample size are subject to a sampling error of about ± 3.5 percent at a 95 percent confidence interval. Sampling error is the probable difference in results between interviewing everyone in the population versus a scientific sample taken from that population. Sampling error does not take into account other possible sources of error inherent in any study of public opinion. The questions and figures referred to in this release are presented below. The location of each question on the actual questionnaire is in brackets.

"Thinking about the different taxes that people pay, which tax do you think is the worst — that is, the least fair — the Federal income tax, state income tax, state sales tax, or local property tax?" [Q.21]

	Federal Income <u>Tax</u>	State Income <u>Tax</u>	State Sales <u>Tax</u>	Local Property <u>Tax</u>	Don't <u>Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	22%	9%	10%	54%	5%	100%	(801)
<i>Family Income</i>							
--Under \$20,000	10	10	11	63	5	99	(115)
--\$20,000 - \$30,000	17	4	14	59	6	100	(91)
--\$30,001 - \$50,000	26	11	12	49	4	102	(232)
--Over \$50,000	26	9	7	53	5	100	(291)
<u>PAST SURVEYS</u>							
September, 1991	18	11	18	47	6	100	(800)

"And which tax do you think is the fairest — the one you feel gives you your money's worth?" [Q.22]

	Federal Income <u>Tax</u>	State Income <u>Tax</u>	State Sales <u>Tax</u>	Local Property <u>Tax</u>	Don't <u>Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	26%	22%	21%	16%	15%	100%	(801)
<i>Family Income</i>							
--Under \$20,000	31	24	12	8	25	100	(115)
--\$20,000 - \$30,000	31	17	27	17	7	99	(91)
--\$30,001 - \$50,000	26	21	20	20	13	100	(232)
--Over \$50,000	21	23	23	20	12	99	(291)
<u>PAST SURVEYS</u>							
September, 1991	27	19	18	13	23	100	(800)

"Do you think the state income taxes you pay are too high or are they about right? Are they much too high or just a little high?" [Q.23]

	Much Too High	A Little Too High	About Right	Don't Know	Total	(n)
February, 1994	19%	27%	48%	6%	100%	(801)
<i>Family Income</i>						
--Under \$20,000	14	27	43	15	99	(115)
--\$20,000 - \$30,000	10	34	56	--	100	(91)
--\$30,001 - \$50,000	15	30	54	2	101	(232)
--Over \$50,000	27	23	48	2	100	(291)

"Do you think you get your money's worth for the state income taxes you pay, or do you think you pay too much for what you get?" [Q.24]

	Get Money's Worth	Pay Too Much	Don't Know	Total	(n)
February, 1994	36%	58%	6%	100%	(801)
<i>Region of State</i>					
--North	41	53	6	100	(379)
--Central	28	65	7	100	(211)
--South	33	61	6	100	(211)
<i>Type of Community</i>					
--Urban	29	62	10	101	(137)
--Non-urban	38	56	6	100	(657)

"Do you think the local property taxes you pay are too high or are they about right? Are they much too high or just a little high?" [Q.25]

	Much Too High	A Little Too High	About Right	Don't Know	Total	(n)
February, 1994	44%	25%	22%	9%	100%	(801)
<i>Family Income</i>						
--Under \$20,000	37	27	18	18	100	(115)
--\$20,000 - \$30,000	53	19	19	9	100	(91)
--\$30,001 - \$50,000	42	29	25	4	100	(232)
--Over \$50,000	48	23	24	5	100	(291)

"Do you think you get your money's worth for the local property taxes you pay, or do you think you pay too much for what you get?" [Q.26]

	<u>Get Money's Worth</u>	<u>Pay Too Much</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	22%	68%	10%	100%	(801)
<i>Region of State</i>					
--North	19	69	11	99	(379)
--Central	21	72	7	100	(211)
--South	27	62	12	101	(211)
<i>Type of Community</i>					
--Urban	12	71	18	101	(137)
--Non-urban	24	67	8	99	(657)

"Governor Whitman says that an important part of her economic plan for the state is to cut the state income tax rates by 30 percent over the next three years, starting with a 5 percent cut this year. Have you read or heard anything about the Governor's plan to cut the state income tax? How much have you read or heard — a lot, some, a little, or nothing at all?" [Q.27]

	<u>A Lot</u>	<u>Some</u>	<u>A Little</u>	<u>Nothing</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	21%	25%	19%	34%	--	99%	(801)

"How likely do you think it is that Governor Whitman will be able to cut state income tax rates by 30 percent over the next three years — very likely, somewhat likely, not too likely, or not at all likely?" [Q.28]

	<u>Very Likely</u>	<u>Somewhat Likely</u>	<u>Not Too Likely</u>	<u>Not At All</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	10%	40%	31%	16%	3%	100%	(801)
<i>Party ID</i>							
--Democrat	9	33	38	19	2	101	(237)
--Independent	11	38	32	17	3	101	(334)
--Republican	13	54	24	8	2	101	(197)

"If the Governor's plan is passed and state income tax rates are cut by 30 percent over three years, do you think this will help, hurt, or not make much difference for New Jersey's economy? Will it (help/hurt) a lot or just a little?" [Q.29]

	<u>Help - A Lot</u>	<u>Help - A Little</u>	<u>Not Make Difference</u>	<u>Hurt - A Little</u>	<u>Hurt - A Lot</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	31%	30%	21%	6%	8%	4%	100%	(801)
<i>Party ID</i>								
--Democrat	22	33	22	7	11	6	101	(237)
--Independent	35	26	19	8	8	4	100	(334)
--Republican	39	34	19	3	2	2	99	(197)

"Do you agree or disagree with the following statement: The plan to cut state income tax rates by 30 percent should be passed even if it means that some state services or programs may be reduced. Do you (agree/disagree) strongly or mildly?" [Q.31]

	<u>Agree Strongly</u>	<u>Agree Mildly</u>	<u>Disagree Mildly</u>	<u>Disagree Strongly</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	21%	26%	20%	24%	9%	100%	(801)
<i>Party ID</i>							
--Democrat	23	19	23	29	6	100	(237)
--Independent	17	26	22	25	10	100	(334)
--Republican	29	34	13	16	6	98	(197)
<i>Family Income</i>							
--Under \$20,000	19	33	18	20	11	101	(115)
--\$20,000 - \$30,000	13	26	25	30	8	102	(91)
--\$30,001 - \$50,000	20	27	21	25	6	99	(232)
--Over \$50,000	26	22	20	25	8	101	(291)

"Do you agree or disagree with this statement: The plan to cut state income taxes by 30 percent should be passed even if it means that my town may receive less state aid and might need to raise property taxes to make up the difference. Do you (agree/disagree) strongly or mildly?" [Q.33]

	<u>Agree Strongly</u>	<u>Agree Mildly</u>	<u>Disagree Mildly</u>	<u>Disagree Strongly</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	8%	17%	21%	51%	3%	100%	(801)
<i>Party ID</i>							
--Democrat	7	15	20	56	2	100	(237)
--Independent	6	15	22	52	4	99	(334)
--Republican	14	20	21	43	2	100	(197)

"How much do you think you will benefit from the Governor's plan to reduce state income tax rates — a great deal, some, not much, or not at all?" [Q.34]

	<u>Great Deal</u>	<u>Some</u>	<u>Not Much</u>	<u>Not At All</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	7%	41%	34%	17%	2%	101%	(801)
<i>Party ID</i>							
--Democrat	7	34	35	23	1	100	(237)
--Independent	5	45	35	14	1	100	(334)
--Republican	9	49	30	9	3	100	(197)
<i>Age</i>							
--18 - 29	7	52	29	11	1	100	(154)
--30 - 49	9	41	33	17	1	101	(341)
--50 - 64	7	46	33	15	--	101	(151)
--65 and older	2	22	39	28	8	99	(140)

"In the past year, have your local property taxes gone up, gone down, or stayed about the same? Have they gone (up/down) a lot or just a little? [Q.35a]

	<u>Gone Up A Lot</u>	<u>Gone Up A Little</u>	<u>Stayed Same</u>	<u>Gone Down A Little</u>	<u>Gone Down A Lot</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	29%	30%	26%	2%	--	12%	99%	(801)

ASKED OF THOSE WHO SAY THEIR PROPERTY TAXES HAVE GONE UP:

"Which of the following do you think is most responsible for the increase in your local property taxes — state government, county government, local government, or the local public schools?" [Q.35B]

	<u>State Government</u>	<u>County Government</u>	<u>Local Government</u>	<u>Local Schools</u>	<u>Don't Know</u>	<u>Total</u>	<u>(n)</u>
February, 1994	19%	13%	21%	38%	8%	99%	(506)

Type of Community

--Urban	31	10	29	22	8	100	(78)
--Non-urban	17	13	20	43	7	100	(422)