



TO: Interested Parties

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RE: Oregon Statewide Survey Findings

DATE: August 3, 2009

This analysis is based on 500 interviews among Oregon registered voters likely to participate in next January's election. The survey was conducted July 29 to August 2, 2009. The margin of error is plus or minus 4.4 percentage points at the 95% level of confidence.

In this survey of likely special election voters, Grove Insight finds that Oregonians favor increasing income taxes on corporations and the wealthy. At the same time, these Oregon voters oppose cutting critical services such as education, public safety and health care.

The Two Central Tenets of the January Referenda Are Popular with Oregon Voters

More than six in 10 favor the increase on income earned above \$125,000 for individuals and \$250,000 for couples (63% favor, 33% oppose) with 42% in the strong favor column. Few (4%) have yet to make up their minds on this issue.

There is similarly strong support for increasing the corporate minimum. By a margin of two-to-one, voters approve increasing the minimum to \$150 and increasing the corporate tax rate from 6.6% to 7.9% on profits above \$250,000 (60% favor, 30% oppose).

Voter Perceptions of Proposals to Balance Oregon’s Budget – Support for Tax Increases On Corporations and Top Wage Earners; Opposition to a Sales Tax and Cuts to Critical Services

	Favor		Oppose		Favor Margin
	Strongly	Not strong	Not strong	Strongly	
Increase state income taxes on income above \$125 thousand dollars per year for single people, and income above \$250 thousand dollars per year for couples filing jointly, from 9 percent to a new rate of 10.8 percent. Also, increase the rate to 11 percent on income above \$250 thousand dollars for single people and on income above \$500 thousand dollars per year for couples filing jointly.	42%	21%	9%	24%	+30
Increase the minimum state income tax corporations pay from \$10 dollars to \$150 dollars and increase the tax rate corporations pay on profits above \$250 thousand dollars from 6.6 to 7.9 percent.	41%	19%	8%	22%	+30
Institute a five percent state sales tax for all goods except groceries, clothing, prescription drugs and home heating	20%	22%	13%	40%	- 11
Cut \$750 million dollars in state spending, 93 percent of which goes to education, health care and public safety.	11%	15%	13%	54%	- 41

When It Comes to Taxing Upper Income Oregonians, Voters Clearly Agree With the Policy

When given two possible approaches to raising personal income taxes, a one percent tax increase on all Oregonians or an increase for individuals earning more than \$125

Oregon Voters Endorse an Increase in the Personal Income Tax For Top Earners – They Oppose a Temporary 1% Increase for All Oregon Taxpayers

I'm going to read you two statements and ask which one you would prefer more:
[ROTATE]

___A temporary one percent personal income tax increase on all Oregon taxpayers

___An increase in the Oregon income tax only on personal income above \$125 thousand dollars for single people or \$250 thousand dollars for couples filing jointly, which temporarily begins at one point eight percent, then goes down to half that amount in the year 2013

Having heard these, which one would you prefer more even if neither is exactly right?

Prefer a temporary one percent personal income tax increase, strongly	13%	20%
Prefer a temporary one percent personal income tax increase, not strongly	7%	
Prefer increase only on income above \$125/\$250 thousand, not strongly	16%	
Prefer increase only on incomes above \$125/\$250 thousand, strongly	45%	61%

thousand and couples earning over \$250 thousand only, 61% come down in favor of the latter approach, while just 20% believe a one percent across-the-board personal income tax increase makes sense. Less than one in five (16%) believe neither option is

acceptable. The legislature has clearly found a balanced approach that is popular with voters.

Voters Support the Legislature’s Corporate Tax Proposal; They Do Not Support a Corporate Tax Increase That Is Only Temporary

When given a choice between a temporary 1.3% increase in corporate taxes or a temporary increase on profits above \$250,000 and a permanent 1% increase on profits above \$10 million, a majority of voters (55%)

Oregon Voters Are Willing to Support a Temporary 1.3% Increase in the Corporate Tax Rate AND a Permanent 1% Increase

I'm going to read you two statements and ask which one you would prefer more:
[ROTATE]

___A temporary 1.3 percent tax increase in the tax rate corporations pay on all profits.

___A temporary 1.3 percent tax increase in the tax rate corporations pay on profits above \$250 thousand dollars and a permanent one percent increase in the tax rate corporations pay on profits above \$10 million dollars.

Having heard these, which one would you prefer more even if neither is exactly right?

Prefer a temporary corporate tax increase, strongly	12%	19%
Prefer a temporary corporate tax increase, not strongly	7%	
Prefer a temporary 1.3 percent <u>and</u> permanent 1 percent corporate tax increase, not strongly	14%	
Prefer a temporary 1.3 percent <u>and</u> permanent 1 percent corporate tax increase, strongly	41%	55%

prefer the combination of permanent and temporary tax increases while just 19% like the notion of a temporary increase. The passion is clearly on the side of combination – 41% strongly support a temporary 1.3% and permanent 1% raise while just 12% “strongly support” the temporary corporate tax increase. Another 18% believe neither is acceptable. Again, the most popular options appear to be what will be before the voters next January.

Voters Are Strongly Opposed to Additional Cuts to Critical Services

Oregon Voters Are More Concerned With Preventing Cuts to Education, Public Safety and Health Care Than Preventing Tax Increases or New Fees

Which of the following is more important to you? **[ROTATE]**

___Preventing tax increases or new fees.

___Preventing cuts in areas like education, public safety, and health care.

Preventing tax increases much more important	26%	35%
Preventing tax increases somewhat more important	9%	
Preventing cuts in services somewhat more important	16%	
Preventing cuts in services much more important	44%	60%

Oregonians are not willing to make steep cuts to the state budget. The budget solution that most raises voters’ ire is making further cuts. When asked if they would be willing to

cut \$750 million in state spending, 93% of which goes to education, health care and public safety, two-thirds said “no way” (26% favor, 67% oppose) with a majority (54%) in the “oppose strongly” column.

This finding is borne out in another line of questioning. Voters were queried to determine which is more important, preventing tax increases or staving off cuts to services. A large majority -- 60% of voters -- say avoiding cuts to education, public safety and health care is more important while over one-third (35%) believe tax and fee increases need to be avoided.

Some people have continued to point to a sales tax as an alternative means of balancing the budget. In this case, we must note that the sales tax is a non-starter, as Grove Insight has found nearly a dozen times. There is a double-digit margin in opposition (42% favor, 53% oppose). Even more poignant is the difference between strong sales tax supporters (20%) and opponents (40%). By every measure of viability, this continues to be something that will not pass muster with Oregon voters.

Final Analysis: Solid Support for the Legislative Package that Will Be Put Before

Voters in January

Voters were read an antiseptic description of the policy pieces found in the two possible referendums and told simply that, “opponents of this plan are working to repeal these laws.” We find that significant numbers of Oregon voters are in agreement with these proposals. More than six in 10 (62%) support this approach with about one-quarter (26%) opposed and 11% unsure. Moreover, nearly half (48%) say they support the legislature’s actions “strongly.” In sum, the

Over Six in 10 Oregon Voters Say They Would Uphold the Legislature’s Tax Increases on Corporations and the Wealthy

We’ve talked about several proposals that have been discussed for how to balance the budget. Now I’m going to ask your opinion about what the legislature actually did.

In order to fund \$750 million dollars in state services, the legislature passed an increase in Oregon’s \$10 dollar corporate minimum tax, raising it to a sliding scale from \$150 dollars on small businesses to a cap of \$100 thousand dollars on corporations with annual sales above \$100 million dollars. The legislature also raised the tax on corporate profits from 6.6 percent to 7.9 percent and increased the tax rate on personal income above \$125 thousand dollars for single people and \$250 thousand dollars for couples filing jointly.

Now opponents of this plan are working to repeal these laws. If an election were held today, would you vote “yes” to uphold tax increases on corporations and the wealthy, or vote “no” to overturn the laws, resulting in increased cuts to education, health care and public safety programs?

Yes, strongly	48%	62%
Yes, not strongly	14%	
No, not strongly	7%	
No, strongly	19%	26%
Don’t know	11%	

package is well-received by those intending to vote on it should it be on the ballot early next year.