

Fiscal Research Program

PUBLIC OPINION ON ISSUES OF TAX FAIRNESS

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Introduction

There is no objective or scientific basis for stating that one tax is fairer than another. Common principles of taxation, such as “equals should be treated equally,” provide some guidance on issues of fairness. But for the most part, what is considered fair is a matter of personal opinion. To gauge the opinions of Georgia residents regarding tax fairness, the Fiscal Research Program asked several questions focused on tax fairness as part of the Georgia State Winter Poll (see Appendix). This report is an analysis of the responses to these questions.

Question 1.

Which of the following Georgia taxes do you think is the most fair?

State personal income tax

State corporate income tax

Sales tax

Property tax

Gas tax

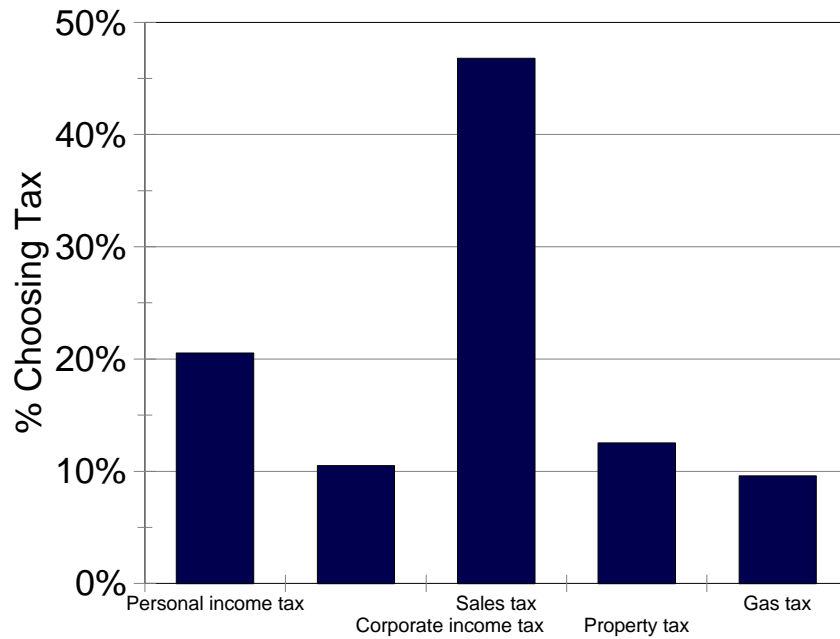
The first question asked that each respondent pick from a list of five specific state taxes the tax he or she considered the most fair. It is not surprising that the sales tax was selected by substantially more respondents than were any of the other taxes (Table 1 and Figure 1.) Nearly 47 percent of the respondents selected the sales tax, while the personal income tax was selected by 20.6 percent of the respondents. These results are consistent with national surveys conducted several years ago by the Advisory Commission on Intergovernmental Revenue.

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TABLE 1. MOST FAIR TAX: ALL RESPONDENTS

Tax	All Respondents
Personal income tax	20.6%
Corporate income tax	10.5%
Sales tax	46.8%
Property tax	12.5%



Gas tax	<u>9.6%</u>
	100.0%

FIGURE 1. MOST FAIR TAX

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The percentage of respondents selecting the sales tax differs across various categories of respondents.¹ The percentage of respondents choosing the sales tax as the most fair increased with family income of the respondents, while the percentage choosing the property tax declined with family income (Table 2 and Figure 2). The percentage selecting the personal income tax was largest for those in the middle income group (\$25,000 to \$49,999), and was smallest for the highest income group (\$55,000 or more).

TABLE 2. MOST FAIR TAX BY INCOME

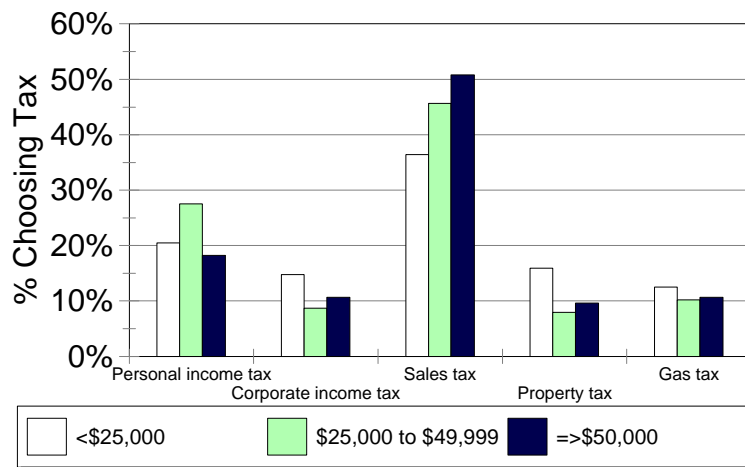
	Family Income		
Tax	Less than \$25,000	\$25,000 to \$49,000	\$50,000 and over
State personal income tax	20.5%	27.5%	18.2%
State corporate income tax	14.8%	8.7%	10.7%
Sales tax	36.4%	45.7%	50.8%
Property tax	15.9%	8.0%	9.6%
Gas tax	<u>12.5%</u>	<u>10.1%</u>	<u>10.7%</u>
	100.0%	100.0%	100.0%

FIGURE 2. MOST FAIR TAX BY INCOME

¹Because the sample size is large, small differences in responses across various categories are statistically significant. Thus, nearly all of the differences in responses across the various categories of respondents for all of the questions discussed in this report are statistically significant. However, our interest is in those differences that are substantial in an absolute sense.

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There are major differences by the race of the respondents in the choice of the fairest tax (Table 3 and Figure 3). Among whites, 55.6 percent selected the sales tax as the most fair, while only 29.1 percent of blacks chose the sales tax (the number of observations of other racial groups was too small to allow reliable reporting.) On the other hand, blacks selected the personal income tax (32.0 percent) and the property tax (17.7 percent) as the most fair at much higher rates than did whites. To the extent that blacks have lower family incomes, these patterns are consistent with the income differences noted above. While the percentage of blacks choosing the sales tax is lower than for whites for each family income group, even among blacks, the percentage selecting the sales tax is greater for those in the higher income group.

There were no substantive differences in the responses by gender (Table 4 and Figure 4). The pattern of responses by education level is similar to that for income (Table 5 and Figure 5), i.e., respondents with more education are more likely to select the sales tax than are respondents with less education, while respondents with less education are more likely to choose the income tax than are more educated respondents. To the extent that more education means greater income, these results are consistent with the responses reported in Table 2. There are substantial differences by age in the percentages choosing each tax (Table 6 and Figure 6); respondents in the older age group (55 years and over) are much more likely than other age groups to choose the sales tax than the personal income tax as the most fair tax.

As seen in Table 7 and Figure 7, the choice of the most fair tax also differs by housing tenure (own versus rent). Renters are more likely to choose the personal income tax as the most fair tax than are owners (25.8 percent versus 18.8 percent), and are less likely to choose the sales tax (37.7 percent versus 49.6 percent). Surprisingly, renters are only slightly more inclined towards the property tax than are owners.

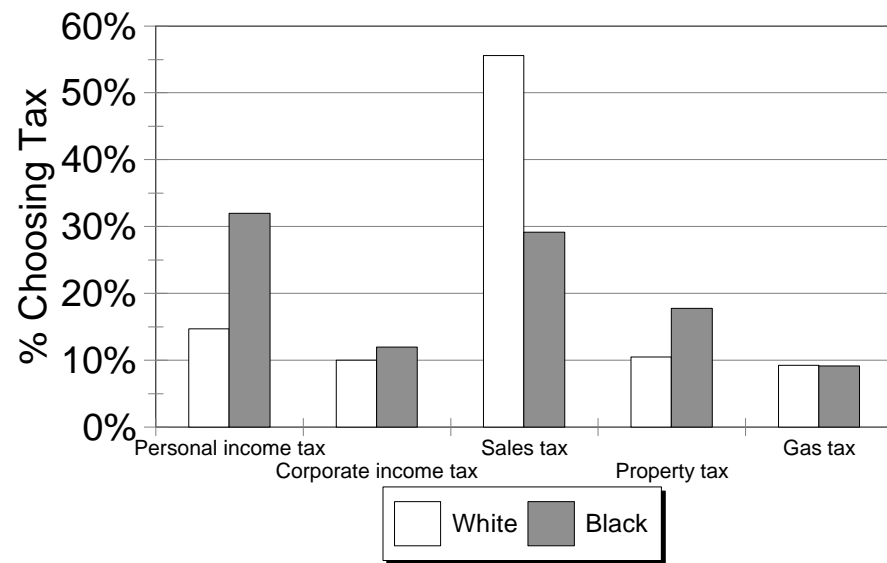
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T 3. M FAIR TAX BY R

Tax	Race	
		Black
State personal income tax	14.7%	32.0%
State corporate income tax	10.0%	12.0%
Sales tax	55.6%	29.1%
Property tax	10.5%	17.7%
Gas tax	<u>9.2%</u>	<u>9.1%</u>
	100.0%	100.0%

FIGURE 3. MOST FAIR TAX BY RACE

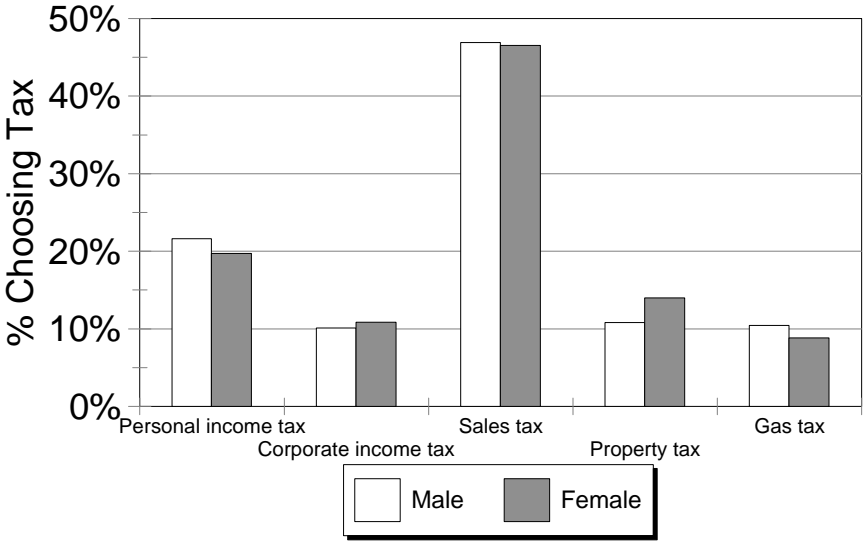
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T 4. MOST AIR T GENDER

	Gender	
	Male	Female
	21.6%	19.7%



	10.1%	10.9%
	47.0%	46.6%
	10.8%	14.0%
	<u>10.5%</u>	<u>8.9%</u>
	100.0%	100.0%

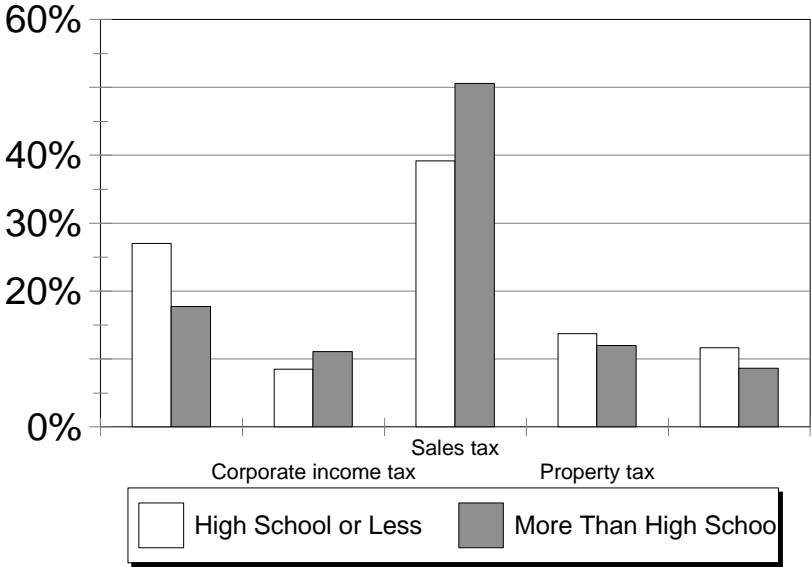
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FIGURE 4. MOST FAIR TAX BY GENDER

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TABLE 5. MOST FAIR TAX BY EDUCATION

Tax	Education	
	High School and Less	More than High School
State personal income tax	27.0%	17.7%



State corporate income tax	8.5%	11.1%
Sales tax	39.2%	50.6%
Property tax	13.8%	12.0%
Gas tax	<u>11.6%</u>	<u>8.6%</u>
	100.0%	100.0%

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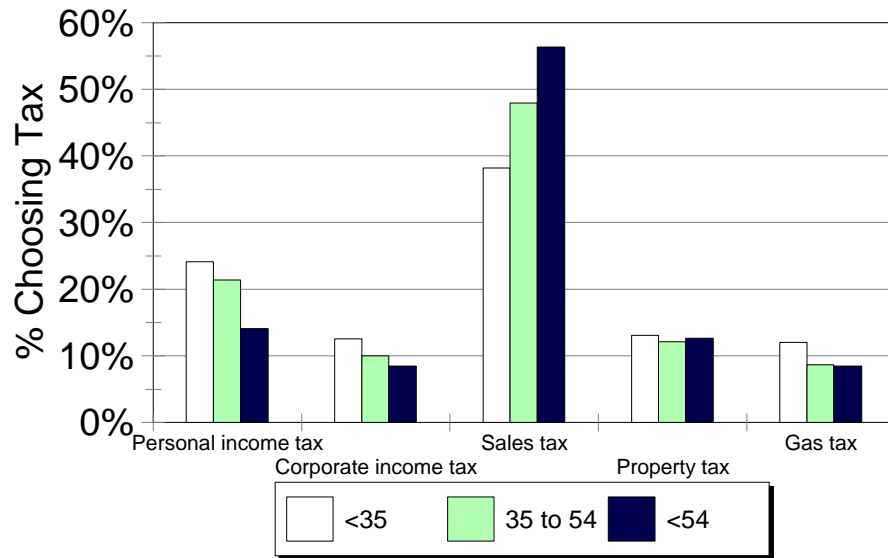
FIGURE 5. MOST FAIR TAX BY EDUCATION

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TABLE 6. MOST FAIR TAX BY AGE

Tax	Age		
	34 and under	35 to 54	Over 54
State personal income tax	24.1%	21.4%	14.1%



State corporate income tax	12.6%	10.0%	8.5%
Sales tax	38.2%	47.9%	56.3%
Property tax	13.1%	12.1%	12.7%
Gas tax	<u>12.1%</u>	<u>8.6%</u>	<u>8.5%</u>
	100.0%	100.0%	100.0%

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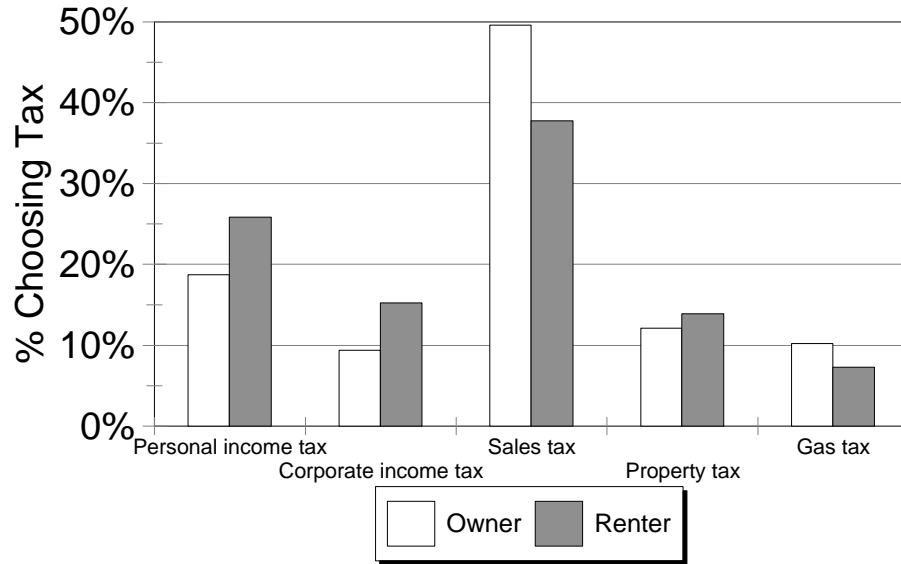
FIGURE 6. MOST FAIR TAX BY AGE

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TABLE 7. MOST FAIR TAX BY HOUSING TENURE

Tax	Housing Tenure	
	Owner	Renter
State personal income tax	18.8%	25.8%



State corporate income tax	9.4%	15.2%
Sales tax	49.6%	37.7%
Property tax	12.1%	13.9%
Gas tax	<u>10.2%</u>	<u>7.3%</u>
	100.0%	100.0%

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FIGURE 7. MOST FAIR TAX BY HOUSING TENURE

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As seen in Table 8 and Figure 8, respondents who live in a metropolitan area are more likely to favor the sales tax than are respondents living outside a metropolitan area. This may be related to differences in income between those living in metropolitan and non-metropolitan areas. Respondents of non-metropolitan areas are more likely to choose the corporate income tax and the property tax.

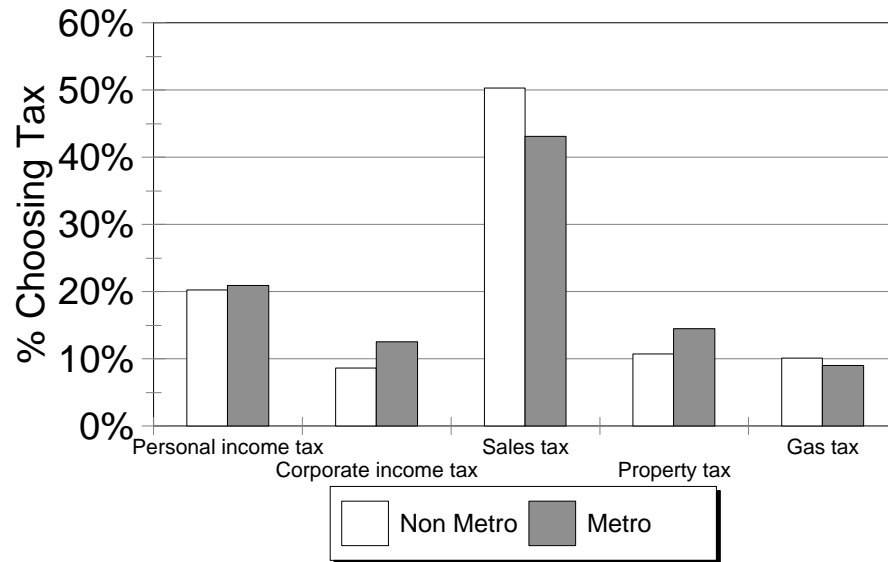
TABLE 8. MOST FAIR TAX BY LOCATION

Tax	Location	
	Non-Metro Area	Metro Area
State personal income tax	20.2%	20.9%
State corporate income tax	8.6%	12.5%
Sales tax	50.3%	43.1%
Property tax	10.7%	14.5%
Gas tax	<u>10.1%</u>	<u>9.0%</u>
	100.0%	100.0%

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FIGURE 8. MOST FAIR TAX BY LOCATION



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Tables 9 and 10, and the associated Figures 9 and 10, show that the choice of the most fair tax differs with political orientation and political party of the respondents. Those respondents who classified themselves as liberal are more likely to choose the personal income tax as the most fair (25.3 percent) than are those who identify themselves as conservatives (19.4 percent). Liberals are also more likely to choose the property tax than are conservatives (16.9 percent versus 9.0 percent), and are less likely to choose the sales tax as the most fair tax (37.3 percent versus 53.0 percent). This pattern is quite similar to the differences between the political party to which the respondent is aligned.

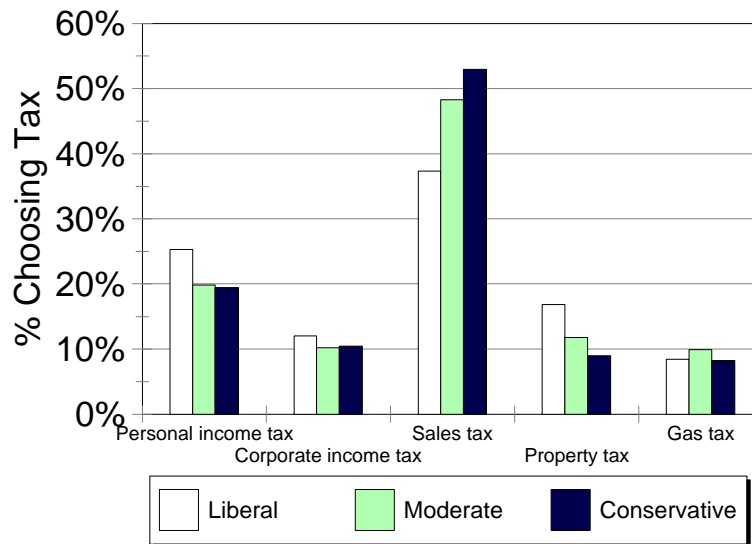
TABLE 9. MOST FAIR TAX BY POLITICAL ORIENTATION

Tax	Political Orientation		
	Liberal	Moderate	Conservative
State personal income tax	25.3%	19.8%	19.4%
State corporate income tax	12.0%	10.2%	10.4%
Sales tax	37.3%	48.3%	53.0%
Property tax	16.9%	11.7%	9.0%
Gas tax	<u>8.4%</u>	<u>9.9%</u>	<u>8.2%</u>
	100.0%	100.0%	100.0%

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FIGURE 9. MOST FAIR TAX BY POLITICAL ORIENTATION



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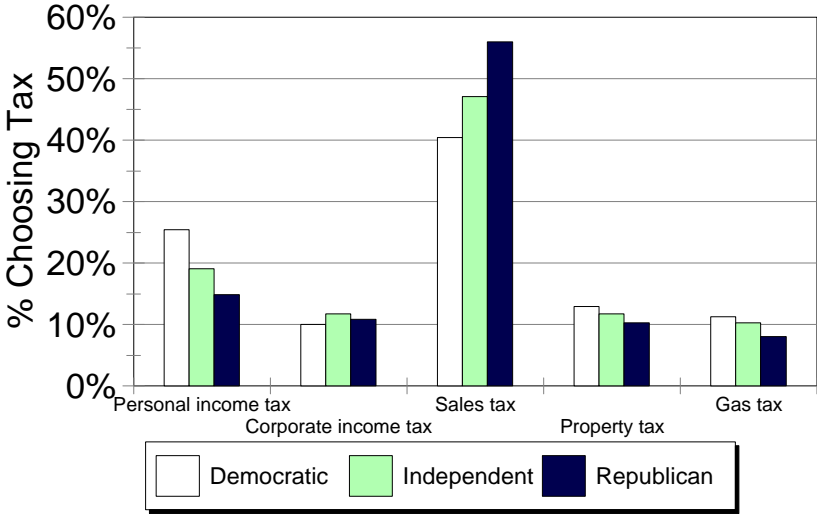
TABLE 10. MOST FAIR TAX BY POLITICAL PARTY

Tax	Political Party		
	Democrat	Independent	Republican
State personal income tax	25.4%	19.1%	14.9%
State corporate income tax	10.0%	11.8%	10.9%
Sales tax	40.4%	47.1%	56.0%
Property tax	12.9%	11.8%	10.3%
Gas tax	<u>11.3%</u>	<u>8.0%</u>	<u>8.0%</u>
	100.0%	100.0%	100.0%

FIGURE 10. MOST FAIR TAX BY POLITICAL PARTY

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Question 2.

In your opinion, are the state and local taxes that the poor pay in Georgia much too high, too high, about right, too low, much too low?

Table 11 and Figure 11 show that 56.3 percent of the respondents replied that the taxes on the poor were “much too high” or “too high.” Only 7.2 percent said that the taxes on the poor were “too low” or “much too low.”

In general, respondents with lower family income were more likely to state that the taxes on the poor are high (either “much too high” or “too high”) than are respondents with higher family income (Table 12 and Figure 12). For example, 69.6 percent of those with family incomes less than \$25,000 said that the taxes the poor pay are high, as compared with 52.0 percent for those with family incomes of \$50,000 or more. Blacks (Table 13 and Figure 13), females (Table 14 and Figure 14), and those with a high school education or less (Table 15 and Figure 15) were also more likely to respond that the taxes on the poor are too high. There were essentially no differences by age (Table 16 and Figure 16) or by housing tenure (Table 17 and Figure 17). Non-metro residents were more likely than metro residents to reply that the taxes the poor pay are high, 59.2 percent versus 55.3 percent (Table 18 and Figure 18).

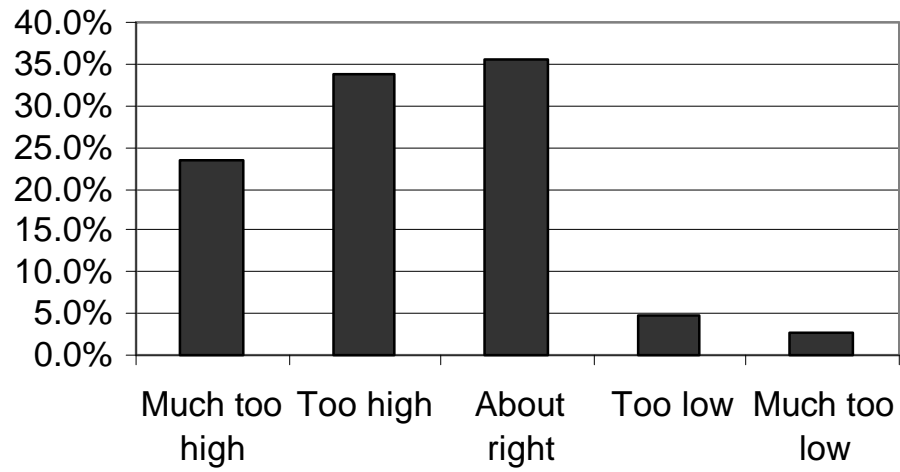
Responses to this question differed by political party (Table 19 and Figure 19) and political orientation (Table 20 and Figure 20). While very few of the respondents in any of the political categories suggested that the taxes the poor pay are low, 10.6 percent of Republicans and 10.2 percent of conservatives replied that the taxes the poor pay are “too low” or “much too low,” while 4.9 percent of Democrats and 6.8 percent of liberals responded that way.

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TABLE 11. HOW HIGH ARE TAXES ON THE POOR

	Percent Responding
Much too high	23.5%
Too high	33.8%



About right	35.5%
Too low	4.6%
Much too low	<u>2.6%</u>
	100.0%

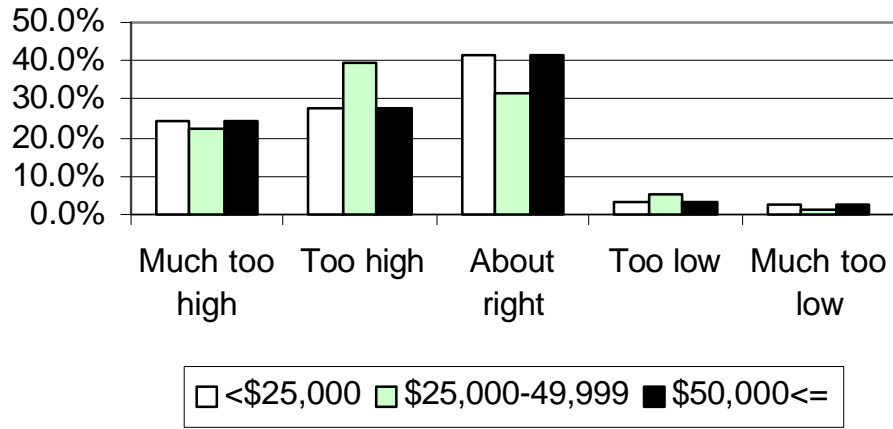
FIGURE 11. HOW HIGH ARE TAXES ON THE POOR

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TABLE 12. HOW HIGH ARE TAXES ON THE POOR BY INCOME

	Income		
	< \$25,000	\$25,000-\$49,999	≥ \$50,000
Much too high	31.4%	22.4%	24.6%



Too high	38.2%	39.2%	27.4%
About right	26.5%	31.5%	41.7%
Too low	2.0%	5.6%	3.4%
Much too low	<u>2.0%</u>	<u>1.4%</u>	<u>2.9%</u>
	100.0%	100.0%	100.0%

FIGURE 12. HOW HIGH ARE TAXES ON THE POOR BY INCOME

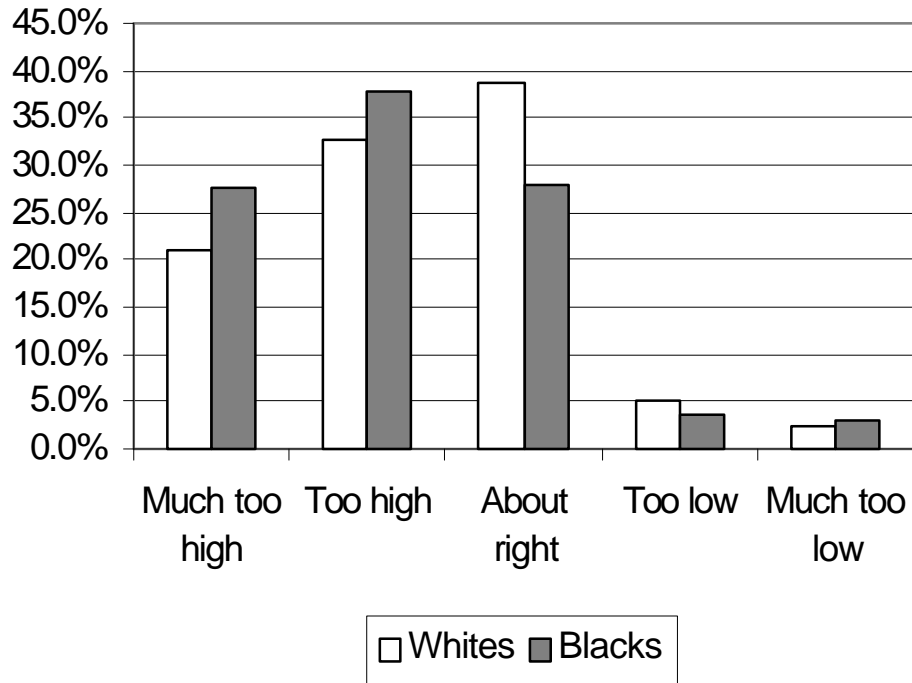
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TABLE 13. HOW HIGH ARE TAXES ON THE POOR BY RACE

	Race	
	Whites	Blacks
Much too high	21.0%	27.5%
Too high	32.8%	37.8%
About right	38.6%	28.0%



Too low	5.3%	3.6%
Much too low	2.4%	3.1%
	100.0%	100.0%

FIGURE 13. HOW HIGH ARE TAXES ON THE POOR BY RACE

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TABLE 14. HOW HIGH ARE TAXES ON THE POOR BY GENDER

	Gender	
	Males	Females
Much too high	25.0%	22.4%



Too high	30.1%	36.6%
About right	40.1%	31.9%
Too low	2.7%	6.1%
Much too low	<u>2.1%</u>	<u>3.1%</u>
	100.0%	100.0%

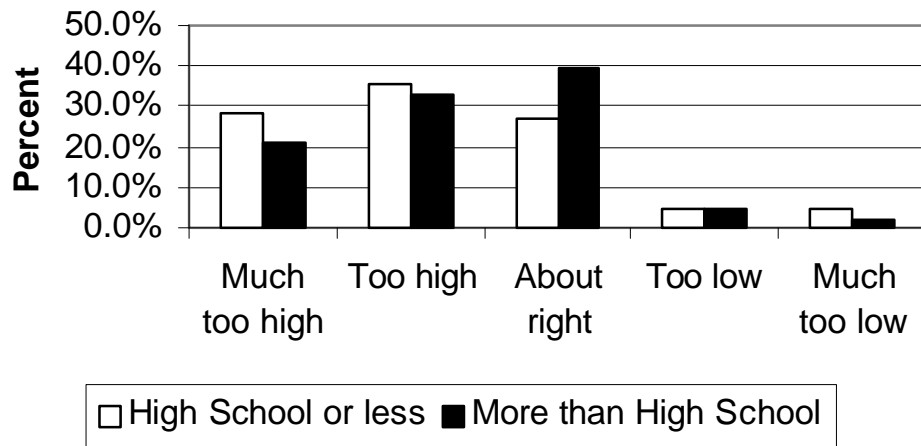
FIGURE 14. HOW HIGH ARE TAXES ON THE POOR BY GENDER

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TABLE 15. HOW HIGH ARE TAXES ON THE POOR BY EDUCATION

	Education	
	High School or Less	More than High School
Much too high	28.6%	21.0%



Too high	35.3%	33.0%
About right	27.2%	39.6%
Too low	4.5%	4.7%
Much too low	<u>4.5%</u>	<u>1.7%</u>
	100.0%	100.0%

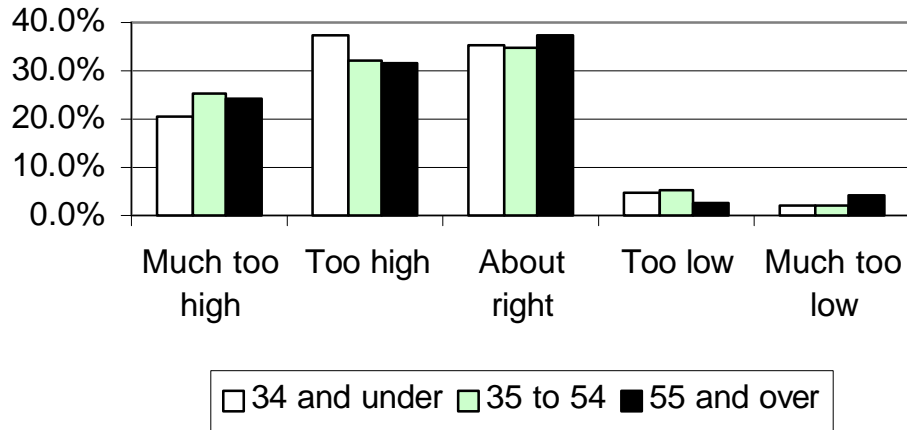
FIGURE 15. HOW HIGH ARE TAXES ON THE POOR BY EDUCATION

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TABLE 16. HOW HIGH ARE TAXES ON THE POOR BY AGE

	Age		
	34 and Under	35 to 54	55 and over
Much too high	20.6%	25.4%	24.1%



Too high	37.2%	32.3%	31.7%
About right	35.3%	34.7%	37.2%
Too low	4.6%	5.5%	2.8%
Much too low	<u>2.3%</u>	<u>2.1%</u>	<u>4.1%</u>
	100.0%	100.0%	100.0%

FIGURE 16. HOW HIGH ARE TAXES ON THE POOR BY AGE

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TABLE 17. HOW HIGH ARE TAXES ON THE POOR BY HOUSING TENURE

	Housing Tenure	
	Own	Rent
Much too high	24.1%	22.8%



Too high	32.2%	37.4%
About right	37.1%	31.0%
Too low	4.3%	5.3%
Much too low	<u>2.4%</u>	<u>3.5%</u>
	100.0%	100.0%

FIGURE 17. HOW HIGH ARE TAXES ON THE POOR BY HOUSING TENURE

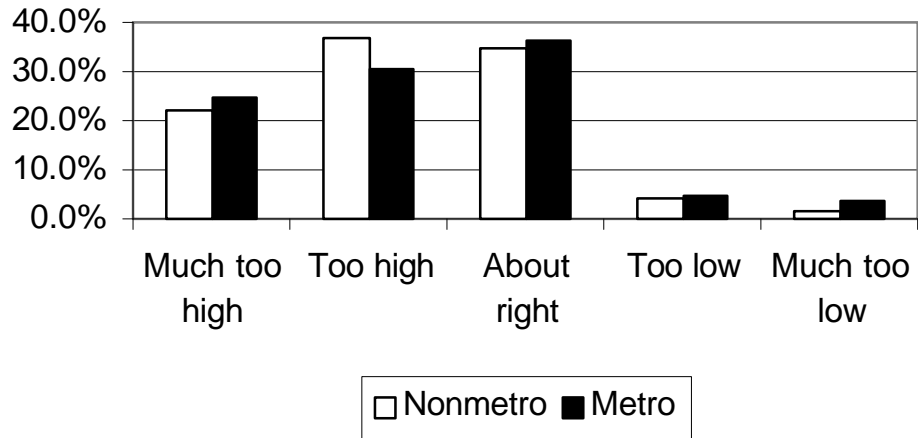
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TABLE 18. HOW HIGH ARE TAXES ON THE POOR BY LOCATION

	Location	
	Non-Metro	Metro
Much too high	22.3%	24.8%



Too high	36.9%	30.5%
About right	34.5%	36.5%
Too low	4.5%	4.7%
Much too low	<u>1.8%</u>	<u>3.5%</u>
	100.0%	100.0%

FIGURE 18. HOW HIGH ARE TAXES ON THE POOR BY LOCATION

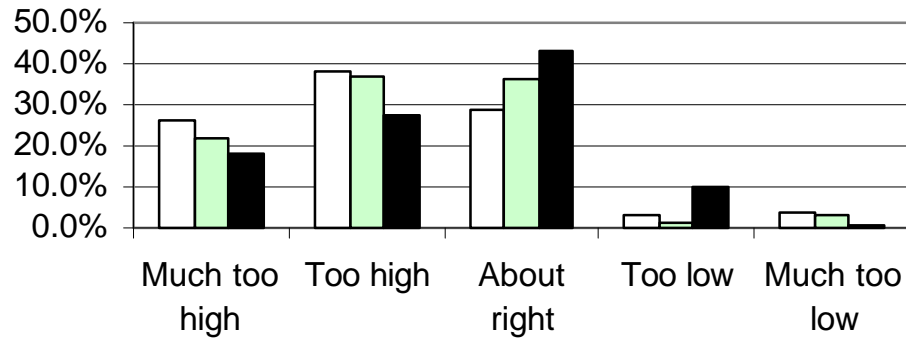
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TABLE 19. HOW HIGH ARE TAXES ON THE POOR BY POLITICAL PARTY

	Political Party		
	Democrat	Independent	Republican
Much too high	26.2%	22.1%	18.4%
Too high	38.3%	37.1%	27.6%



□ Democratic □ Independent ■ Republican

About right	28.6%	36.4%	43.4%
Too low	2.8%	1.4%	9.9%
Much too low	4.0%	2.9%	0.7%
	100.0%	100.0%	100.0%

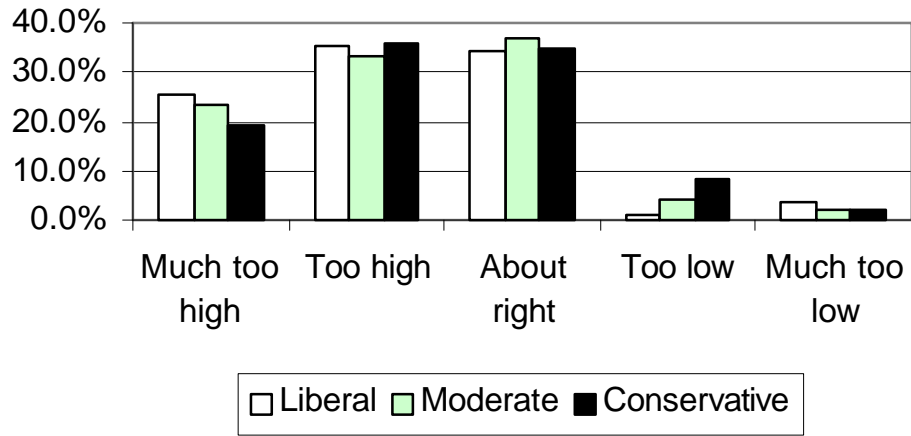
FIGURE 19. HOW HIGH ARE TAXES ON THE POOR BY POLITICAL PARTY

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TABLE 20. HOW HIGH ARE TAXES ON THE POOR BY POLITICAL ORIENTATION

	Political Orientation		
	Liberal	Moderate	Conservative
Much too high	25.6%	23.5%	19.1%
Too high	35.4%	33.1%	36.1%



About right	34.2%	36.9%	34.7%
Too low	1.2%	4.4%	8.2%
Much too low	<u>3.7%</u>	<u>2.2%</u>	<u>2.0%</u>
	100.0%	100.0%	100.0%

FIGURE 20. HOW HIGH ARE TAXES ON THE POOR BY POLITICAL ORIENTATION

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Question 3.

Would you support reducing state taxes on any of the following groups even if it meant increasing taxes on everyone else (answer yes or no for each):

- a. *The elderly*
- b. *The poor*
- c. *The rich*
- d. *The middle class*
- e. *Homeowners*
- f. *Renters*
- g. *Families with children*
- h. *Unmarried individuals*
- i. *People who live in urban areas*
- j. *People who live in rural areas*
- k. *Businesses that are considering moving to the state*
- l. *Existing businesses*
- m. *High tech businesses*
- n. *Farmers*

The third question asked whether the respondent would support reducing state taxes for various groups even if it meant increasing taxes on everyone else (Tables 21 and 22). Response choices were either yes or no. The group for which the largest percentage of the respondents said they would support a reduction in taxes was the “elderly;” 66.3 percent of the respondents said they would support a reduction in taxes for this group. The “poor” received the second highest percentage of support for a tax reduction, 59.3 percent. A tax reduction for “families with children” was supported by 53.2 percent of the respondents.

22.4 percent of the respondents said they would support a tax reduction for the “rich,” a percentage that is higher than might be expected. One possible explanation for this percentage is that these respondents believe that taxes are too high in general and thus support a tax reduction for all groups. However, of the respondents who

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supported a tax reduction for the “rich,” only about 4 percent supported a tax reduction for all of the

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groups. However, 34.1 percent of those who supported a tax reduction for the “rich” also supported a tax reduction for the “poor” and the “middle class.” Between 30 and 40 percent of the respondents supported a reduction in taxes for each of the other categories of individual taxpayers (“middle class,” “homeowners,” “renters,” “unmarried individuals,” “people who live in rural areas,” and “people who live in urban areas”).

Support for tax reductions for businesses (“new businesses,” “existing businesses,” and “high tech businesses”) were somewhat lower than for tax reductions for individuals. Between 24 and 33 percent of the respondents said they would support a tax reduction for businesses. A higher percentage of the respondents (48.3 percent) said they would support a tax reduction for “farmers.”

There are differences across the various categories of respondents in the level of support for a tax reduction for the various groups (Tables 21 and 22). In general, support for any of the tax reductions is higher among individuals with lower family income. The largest differences across income classes in the percentage supporting a tax reduction are for “existing businesses” and for “high tech businesses.” For example, 18.1 percent of high-income respondents supported a tax reduction for “high tech businesses,” while 32.4 percent of low-income respondents do. The difference across income classes in the percentage supporting a tax reduction for “new businesses” is much smaller, reflecting greater support among respondents with higher family income for a tax reduction for “new businesses” than for “existing businesses” and “high tech businesses.” Surprisingly, the support for a tax reduction for the “rich” is greater among respondents with a lower family income. One of the largest differences across income levels is the support of a tax reduction for “renters,” 37.1 percent for respondents with a family income of less than \$25,000 versus 21.1 percent for respondents with a family income of \$50,000 or more.

The percentage of blacks that supports a tax reduction for any group is greater than for whites for every group other than the “elderly,” for which the responses are

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essentially the same. For all other groups, except “new businesses” and “farmers,” the percentage of blacks who support a tax reduction is between 10 and 20 percentage points higher than the percentage of whites.

Females are slightly more likely than males to support a tax reduction for any group, but in general the differences by gender are small. With the exception of “new businesses,” support for a tax reduction for every group is higher for respondents with a lower education level. Support for a tax reduction for any group generally is higher among younger respondents; the largest differences in the percentage across age groups are for “existing businesses,” “renter,” and “homeowners.”

Renters in general are more likely to support a tax reduction for any group than are home owners (Table 22). The largest difference between renters and owners is for a tax reduction for “renters,” for which 42.7 percent of renters supported a tax reduction as compared with 24.8 percent for home owners. Differences by location (metro, non-metro) are generally small.

The differences in support for a tax reduction for any group by political party and political orientation (liberal-conservative) are large. Support for a tax reduction for any group is much greater among Democrats than Republicans, except for a tax reduction for the “elderly,” for which the difference was only 4.2 percentage points. The typical differences in the percentage of Democrats and Republicans who support a tax reduction for a given group are in the range of 7 to 17 percentage points. Liberals are much more likely to support a tax reduction than either moderates or conservatives. The only group that conservatives supported for a tax reduction more heavily than did liberals was the “rich,” 28.8 percent versus 22.7 percent. On the other hand, a much larger percentage of liberals than conservatives supported a tax reduction for the “poor,” 72.4 percent versus 50.9 percent. With a few exceptions, in particular the “poor” and the “elderly,” support for a tax reduction was lower for moderates than for conservatives.

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Question 4.

I am going to read some statements. On a scale of 1 to 5, with 1 being Strongly agree and 5 being Strongly disagree, please indicate how strongly do you agree or disagree with each statement:

- A. *The state should not collect sales tax when an item like a book is purchased over the internet.*
- B. *Someone who buys a book over the internet should pay the same sales tax as someone who buys the book from a local bookstore.*

Question 4 asked the respondents to indicate their level of agreement with certain statements associated with the fairness of taxing sales made over the internet (Tables 23). The first statement is a restatement of the frequently stated maxim, “Don’t tax the internet,” while the other reflects the opinion often voiced by local merchants concerned with the advantage many internet sellers have in not having to collect a sales tax.² 49.9 percent of the respondents agreed with the first statement, while 55.4 percent agreed with the second. It would appear that there are substantial differences of opinion regarding the proper taxation of sales made over the internet.

Supporting both of these two statements would seem to be inconsistent. Yet of the respondents who agreed with the Statement 1, 46.8 percent also agreed with Statement 2. One possible interpretation of this result is that support for Statement 1 may reflect a desire for a tax reduction (or avoiding a tax increase), while Statement 2 forces the respondent to directly confront a fairness issue. More likely, however, the opinion that question prompts depends upon how the survey question is asked.

²Remote sellers, e.g., those who sell by catalogue or via the internet, that do not have any physical presence in the state are not required to collect the sales tax from the consumer, but local merchants are required to do so.

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TABLE 23. AGREEMENT WITH STATEMENTS CONCERNING TAXING SALES OVER THE INTERNET

	Statement 1	Statement 2
Strongly Agree	37.9%	43.9%
Agree	11.0%	11.5%
Neither Agree or Disagree	15.2%	9.4%
Disagree	7.4%	9.3%
Strongly Disagree	<u>28.5%</u>	<u>25.9%</u>
	100.0%	100.0%

Statement 1: The state should not collect sales tax when an item like a book is purchased over the internet.

Statement 2: Someone who buys a book over the internet should pay the same sales tax as someone who buys the book from a local bookstore.

Question 5.

I am going to read some statements. On a scale of 1 to 5, with 1 being Strongly agree and 5 being Strongly disagree, please indicate how strongly do you agree or disagree with each statement:

1. *Property taxes should be based on the price a home owner originally paid for the home rather than the current market value, even if that means property taxes on similar homes could be very different.*
2. *It would be fair for the state government to give part of its state sales tax revenue to poorer municipal and county governments.*
3. *The state government should increase the state sales tax from the current 4 percent rate to 7 percent in order to eliminate all property taxes.*
4. *The federal government should replace the current personal income tax with a system in which everyone pays the same tax rate, i.e., a flat tax.*

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Statement 1 reflects recent legislation approved in several Georgia counties that essentially changes the assessment of homes from one based on fair market value to one based on purchase price.³ Fifty percent of the respondents agreed with this statement while 32.9 percent disagreed (Table 24). Among owners, 48.2 percent agreed with the statement, while 53.9 percent of renters did. The level of support is much lower than the percentage of voters who voted in favor of such a change in various counties in Georgia.

Statement 2 was designed to gauge whether there is support for using funds from the general tax collections of the state to help community that are poor, as opposed to supporting tax reductions for individuals who are poor. Fifty-five percent of the respondents agreed with this statement and 20.6 percent disagreed. This suggests there is support for a state grant program aimed at poorer communities.

TABLE 24. AGREEMENT WITH STATEMENTS CONCERNING TAX FAIRNESS

	Statement 1	Statement 2	Statement 3	Statement 4
Strongly Agree	35.0%	37.4%	31.1%	40.0%
Agree	15.0%	17.6%	12.3%	13.2%
Neither Agree or Disagree	16.0%	24.4%	17.1%	12.5%
Disagree	8.1%	6.9%	8.8%	7.3%
Strongly Disagree	<u>25.8%</u>	<u>13.7%</u>	<u>30.7%</u>	<u>27.0%</u>
	100.0%	100.0%	100.0%	100.0%

³If property taxes are based on fair market value, then property taxes increase as the market value of the property increases. If property taxes are based on purchase price, property taxes only change when the house is sold (assuming no change in the tax rate). Thus, houses of equal market value would have different property taxes based on when the property was purchased.

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- Statement 1: Property taxes should be based on the price a homeowner originally paid for the home rather than the current market value, even if that means property taxes on similar homes could be very different.
- Statement 2: It would be fair for the state government to give part of its state sales tax revenue to poorer municipal governments.
- Statement 3: The state government should increase the state sales tax from the current 4 percent rate to 7 percent in order to eliminate all property taxes.
- Statement 4: The federal government should replace the current personal income tax with a system in which everyone pays the same tax rate, i.e., a flat tax.

Statement 3 was designed to measure the degree to which the sales tax is preferred to the property tax. Among the respondents, 53.4 percent agreed with the statement and 39.5 percent disagreed. Thus, a majority of respondents would be willing to pay an additional 3 percent sales tax to eliminate the property tax. This result reinforces the responses to Question 1 that the sales tax is the most fair tax. There was not a large difference between the level of support for statement 3 on the part of owners and renters, and in fact, renters provided stronger support, 53.9 percent of renters and 48.2 percent of owners agreed with the statement. (Note that it would take more than a 3 percent increase in the sales tax to replace all property taxes in the state.)

Statement 4 was used to determine how important is the perceived progressivity of the income tax. 53.2 percent of the respondents agreed with the statement and 34.3 percent disagreed with it. This suggests that respondents are supportive of eliminating or at least reducing the progressivity of the income tax.

Closing Comments

The responses to the survey questions provide a glimpse at what Georgians believe about tax fairness. There are no big surprises in the responses, which are generally in line with other evidence regarding opinions of tax fairness. One note of caution. Some of the issues that were asked about are complex, so that respondents may not fully understand all of the consequences. Thus, a more fully informed

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individual may respond differently. It is also important to remember that support for some tax policy is only partly determined by the fairness of the policy. For example, an individual may consider a certain tax policy as fair in the abstract. But if the tax policy results in a large tax increase for an individual, he may oppose the policy.

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Appendix. The Georgia State Poll

The Georgia State Poll was a telephone survey of adults 18 and over who live in Georgia. The Poll was conducted by the Applied Research Center at Georgia State University. For the Winter Poll, 782 residents were randomly selected and interviewed from January 18-February 20, 2001 on a variety of public policy issues. All adults living in Georgia with a working telephone (including new and unlisted numbers) were eligible for the Poll. Interviewing was conducted on Monday from 10:00 a.m. to 9:15 p.m., on Saturday from 11:00 a.m. to 7:00 p.m., and on Sunday from 12:00 p.m. to 7:00 p.m. The actual results collected were weighted using the most recent U.S. Census data on the state of Georgia.

The results of the Poll are likely to contain some error. Ninety-five percent of the time, error due to the random selection process will be no more than 3.5 percentage points plus or minus the reported percentage for 782 respondents. Error for smaller subgroups is likely to be larger. Other types of error occur when individuals refuse to participate in the interview or when selected respondents cannot be contacted. Every feasible effort was been made to obtain a response and reduce the error, but the reader should be aware that some error is inherent in all research.

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