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IGS Poll on economic issues finds Californians oppose higher gas taxes, registration fees

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Most Californians oppose higher gas taxes or vehicle registration fees, even when they are told that the state faces a \$59 billion backlog of road repair projects, according to a new poll released today by the University of California, Berkeley's Institute of Governmental Studies.

A proposal pending in the Legislature would raise both the gas tax and vehicle registration fees to pay for road improvements, but the IGS poll found that overwhelming majorities of Republicans and independents oppose such increases, while Democrats narrowly favor the gas tax increase but oppose higher registration fees. Overall, the survey found that respondents opposed a gas tax increase 63-37 percent, and higher vehicle registration fees 74-26 percent. [See the appendix below for full results.]

The online poll, which surveyed 1,062 respondents from Aug. 11-26, also asked about three other tax and economic issues, with the following results: respondents from Aug. 11-26, also asked about three other tax and economic issues, with the following results:

- Most respondents supported increasing the minimum wage.
- There were mixed results on continuing the higher sales and income taxes that voters approved by passing Proposition 30 three years ago.
- A majority opposed a frequently discussed reform to lower the sales tax rate but broaden it to cover services as well as goods.

Gas tax, vehicle registration fees

The findings on the gas tax and vehicle registration fees come as the Legislature struggles with those issues. In his inaugural address in January, Gov. Jerry Brown cited \$59 billion in needed road repair projects, and challenged lawmakers to act.

In response, legislative Democrats are advancing a plan to raise the gas tax 12 cents a gallon and raise vehicle registration fees. In an unusual alliance, business groups are lending their support to the plan for higher taxes to generate revenue for road repair, which they see as critical to economic growth.

But the IGS poll found that Californians disagree, even when told about the state's need for road maintenance. Half of the respondents were told about the cost of needed road repairs, and half were not. When people were told about the \$59 billion cost, support for higher gas taxes rose slightly — from 35 to 38 percent — but remained a minority viewpoint.

“Voters usually don't like to pay more in taxes, especially a levy that is paid by nearly everyone, such as the gas tax,” said IGS director Jack Citrin. “These results show that even when told about a pressing need, Californians do not want to pay more for registering their cars or driving them.”

Democrats were more in favor of higher taxes than Republicans, but not overwhelmingly so. Asked about a higher gas tax, 73 percent of Republicans and 70 percent of independents were opposed. Among Democrats, 54 percent favored the increase, and 46 percent opposed it. The poll asked about a 10-cent per gallon increase, rather than 12 cents, because the question was finalized before the pending proposal was amended to include the higher amount.

Higher vehicle registration fees were opposed across party lines, with 61 percent of Democrats joining even larger majorities of Republicans and independents in opposition.

Resistance to a gas tax increase was heaviest among those surveyed who earn less than \$100,000 a year. Among those earning more than \$100,000 a year, opinion was about evenly split. Strong opposition to higher vehicle registration fees crossed all income levels.

Proposition 30 tax rates

Respondents were also asked about continuing the Prop. 30 tax increases. With the state facing huge budget shortfalls in 2012, Prop. 30 temporarily increased the sales tax and income taxes on high-income earners. Those higher tax rates are scheduled to end.

In the new survey, half the respondents were simply asked if they would support extending the higher taxes. Among that group, support for continuing the Prop. 30 tax rates was strong, 65 percent in favor compared to 35 percent opposed.

However, the other half of the respondents were also told that state forecasters predict that because of strong economic growth, state revenue will probably increase even if the higher Prop. 30 rates are allowed to expire. Among the second group, support for continuing the Prop. 30 tax rates dropped so sharply that a narrow majority opposed an extension, 51-49 percent.

“These findings suggest that in the abstract, Californians are willing to support the extension of the Prop. 30 tax rates, but that support falls away sharply when voters are told about the state's improved economic fortunes,” Citrin said.

Sharp partisan differences were evident on the Prop. 30 question. Democrats strongly supported extending the higher rates, and Republicans strongly opposed doing so. Independents favored the extension by a fairly close margin, 54-46 percent.

Except for those earning more than \$150,000 per year, majorities among all income groups supported the extension. Among people over that threshold, most respondents opposed the extension; members of that income group are the ones who would pay the higher tax rates.

Minimum wage, sales tax

Supporters are now gathering signatures for a ballot measure that would raise the statewide minimum from its current rate of \$9 an hour to \$15 an hour by 2021, after which it would be adjusted for inflation. A strong majority (68 percent) favored the initiative, although partisan differences were strong. Democrats overwhelmingly favored the idea (82 percent), 68 percent of independents favored it, and 60 percent of Republicans opposed it.

Support for the minimum wage increase was strongest among those making less than \$25,000 a year (78 percent) and 18-29 year olds (72 percent), but the initiative was supported by majorities in all income and age groups.

Tax reformers have frequently suggested that California broaden its statewide sales tax base by reducing the rate of taxation, but expanding the tax to cover services as well as goods. Some 59 percent of respondents opposed that idea. Democrats were less opposed than Republicans or independents, but even among Democrats, 53 percent of respondents opposed the sales tax reform.

“On balance, the public is unwilling to raise or expand the scope of taxes, but is generally accepting of the status quo produced by Proposition 30, perhaps because the higher income taxes are paid by the wealthy,” said Citrin. “On the other hand, raising the minimum wage continues to be popular, although there are clear partisan differences on that issue.”

Technical Details

The Poll was conducted for IGS by Survey Sampling International from Aug. 11 to Aug. 26, 2015, using online questionnaires. The total sample is 1,062 respondents. The Margin of Error varies slightly for each question, but on all questions is between 2.5% and 3.0%. Responses for the entire sample were weighted to reflect the statewide distribution of the California population by gender, race/ethnicity, education, and age.

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Appendix

Gas Tax Increase

(Half the respondents were given the material in parenthesis; half were not.)

(California faces a backlog of road repair projects estimated at \$59 billion.) A bill before the State Legislature would increase the gas tax by 10 cents a gallon for five years to generate more money for road repairs. Do you favor or oppose increasing those taxes to pay for road repairs?

	Told About Backlog	Not Told About Backlog	Total
Favor	38.5%	35.5%	37.1%
Oppose	61.5%	64.5%	62.9%

By Partisanship – All Respondents

	Democrats	Independents	Republicans
Favor	54.2%	29.7%	26.7%
Oppose	45.8%	70.3%	73.4%

By Income – All Respondents

	Less than \$25,000	\$25,000- \$49,999	\$50,000- \$74,999	\$75,000- \$99,999	\$100,000- \$149,999	\$150,000+
Favor	38.4%	41.4%	37.9%	40.9%	51.5%	49.4%
Oppose	61.6%	58.6%	62.1%	59.1%	48.5%	50.6%

Vehicle Registration Fee Increase

(As part of the previous question, half the respondents were given the material in parenthesis; half were not.)

(California faces a backlog of road repair projects estimated at \$59 billion.) The bill would also increase vehicle license and registration fees. Do you favor or oppose increasing those fees to pay for road repairs?

	Told About Backlog	Not Told About Backlog	Total
Favor	25.9%	26.7%	26.2%
Oppose	74.1%	73.3%	73.8%

By Partisanship – All Respondents

	Democrats	Independents	Republicans
Favor	38.8%	27.0%	19.2%
Oppose	61.2%	73.0%	80.8%

By Income – All Respondents

	Less than \$25,000	\$25,000- \$49,999	\$50,000- \$74,999	\$75,000- \$99,999	\$100,000- \$149,999	\$150,000+
Favor	23.2%	29.1%	30.2%	32.1%	39.0%	39.0%
Oppose	76.8%	70.9%	69.8%	67.8%	61.0%	61.0%

Proposition 30 Extension

(Half the respondents were given the material in parenthesis; half were not.)

In November 2012, Proposition 30 temporarily increased income taxes for people earning more than \$250,000 a year and sales taxes for everyone to fund schools and help balance the state budget. Those increased tax rates are scheduled to expire by the end of 2018.

(The Legislative Analyst's Office predicts that under the most likely economic conditions, total state revenues will probably increase, even without Prop. 30's higher tax rates.)

Do you favor or oppose extending the higher tax rates implemented by Prop. 30?

	Not Given LAO Prediction	Given LAO Prediction	Total
Favor	65.3%	49.4%	57.4%
Oppose	34.7%	50.6%	42.6%

By Partisanship – All Respondents

	Democrats	Independents	Republicans
Favor	76.0%	54.0%	33.0%

Oppose 24.0% 46.0% 67.0%

By Income – All Respondents

	Less than \$25,000	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$149,999	\$150,000+
Favor	65.0%	62.6%	64.8%	66.7%	53.5%	46.8%
Oppose	35.0%	37.4%	35.2%	33.3%	46.5%	53.2%

Minimum Wage Increase

A proposed ballot initiative would increase California’s minimum wage by one dollar each year, from the current level of \$9 an hour to \$15 an hour in the year 2021. After that the minimum wage would increase automatically to keep pace with inflation. Would you favor or oppose this measure?

	Percent
Favor	68.0%
Oppose	32.0%

By Partisanship

	Democrats	Independents	Republicans
Favor	82.2%	68.0%	40.2%
Oppose	17.8%	32.0%	59.8%

By Income

	Less than \$25,000	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$149,999	\$150,000+
Favor	77.6%	68.9%	67.6%	60.5%	64.3%	65.9%
Oppose	22.4%	31.1%	32.34%	39.5%	35.7%	34.1%

By Age

	Age 18-29	Age 30-39	Age 40-49	Age 50-65	Age 65+
Favor	72.3%	71.7%	62.4%	64.7%	64.0%
Oppose	27.7%	28.3%	37.6%	35.3%	36.0%

Sales Tax Reform

Right now in California, sales taxes are charged on goods, but not services (like legal fees, haircuts, and home repairs). There is a proposal to lower the rate of the sales tax but broaden the tax so it also covers services. Would you favor or oppose that idea?

	Percent
Favor	41.3%
Oppose	58.7%

By Partisanship

	Democrats	Independents	Republicans
Favor	46.7%	33.1%	30.3%
Oppose	53.3%	66.9%	69.7%