

Preferences on State Taxes & Revenues Media Release Points Volume 1, no. 5

Ask-Alabama Poll, Fall 2004

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Significant Findings

1. **Nearly all Alabamians (93%) are somewhat or very concerned about finding a solution to the State's continuing budget shortfalls.**
 - a. 58% are very concerned about finding a solution to the budget shortfalls;
 - b. 35% are somewhat concerned;
 - c. Only 3% are not at all concerned.

State leaders cannot afford to ignore the fiscal and revenue situation in the State. This is a no win situation for the elected leaders. If they do nothing, they will face withering criticism for failure of leadership. If they appear too eager to raise taxes, they will face the wrath of the voters. A solution is only possible through bi-partisan cooperation in State government, and the active and productive engagement of the business community, employee associations, and other interest groups.

2. **The public believes that the state system of taxation is not fair, but only one third agree that state taxes are too high.**
 - a. 57% of respondents agree that the state taxation structure is not fair
 - b. 38% believe that the state taxation structure is fair.
 - c. 34% say that taxes in Alabama are too high
 - d. 51% say that taxes in Alabama are about right
 - e. 13% say that taxes in Alabama are too low.

Two-thirds of Alabamians acknowledge that Alabama is not a high tax state. This will not translate, however, into action to put the State's revenue structure on a firmer footing if the political leadership does not squarely face the issue of reforming the tax system so that it is more fair.

3. By a margin of 2 to 1, the public supports increasing sin taxes or adopting a lottery and video gambling.

- a. 66% of the respondents support higher taxes on tobacco products
- b. 76% support higher taxes on alcoholic beverages
- c. 67% support a lottery for education
- d. 68% support taxation on video gaming.

While an increase in the so-called “sin taxes” will not solve the state’s fiscal crisis alone, increasing taxes on tobacco products and alcoholic beverages would be relatively easy for the electorate to accept. After all, tobacco and alcohol are considered to be products of individual choice, and not necessities. As such, it would be considered reasonable to tax them more heavily.

Public support for the lottery and video gaming may be a recognition that it makes no sense for Alabamians to support Mississippi, Georgia, Tennessee, and Florida. Prohibiting such activities in Alabama does not keep Alabamians from gambling, it just changes where they gamble and which state benefits from it.

4. There is strong opposition to changing the sales tax rate, income tax rate, or property tax rates.

- a. 71% oppose an increase in the sales tax rate.
- b. 64% oppose an increase in the income tax rate.
- c. 66% oppose an increase in the property tax rate.

The high level of opposition to increasing any of the big three state tax revenues should not be a surprise. This level of opposition indicates how little confidence Alabamians have in the State to manage new sources of revenue and develop a tax structure that would be fair for all. It is up to community leaders to continue to educate the public on the need for change if Alabama is to break out of its low rankings on most social and public indicators..

Poll Facts

Dates of Survey: October 12 - October 27, 2004
Sample Size: 1018
Estimated Margin of Error: Less than +/- 3%
Type of Survey: Random telephone survey of Alabamians 19 or older