

## Survey finds Michigan residents willing to sacrifice to rebuild state

By Peter Luke

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AP File Photo

Lansing legislators could take direction from a new survey of Michigan residents indicating they will pay higher taxes to help state recover.

LANSING -- After a weekend discussing what ails the state, a majority of 314 Michigan residents said they would support an increase in the sales tax to balance the budget and cut business taxes to create jobs.

Results from the mid-November deliberative polling were released Thursday in advance of Monday evening's airing of a public television documentary on the survey effort, which was organized by a polling unit at Stanford University, of Palo Alto, Calif., and funded by the the Battle Creek-based W.K. Kellogg Foundation.

The survey was designed to put a good microcosm of the state in one setting to learn about the issues, listen to differing viewpoints and think about the hard economic choices facing the state.

Participants from the Upper Peninsula to Detroit were polled before the weekend along with a separate control group. At the conclusion were face-to-face discussions Nov. 13 to 15 in Lansing.

Some attitudes changed during the deliberations and discussions, and others did not.

Support for raising the 6 percent sales tax rose from 37 percent to 51 percent. The percentage who favored hiking the 4.35 percent income tax increased was less than 45 percent. Meanwhile, 61 percent supported the concept of a graduated income tax.

There was little change in negative attitudes toward the property tax. About 10 percent favored an increase. Forty percent wanted a property tax cut, and the

### SURVEY RESULTS

**After a mid-November weekend of deliberation on a range of tax and spending issues, 314 Michigan residents came to the following conclusions:**

**Raise the income tax?**

- 44 percent yes

**Cut the income tax?**

- 20 percent yes

**Neither?**

- 33 percent

**Enact a graduated income tax?**

- 61 percent yes
- 26 percent no

remainder said leave it where it is.

About a quarter wanted either a gas tax increase and a gas tax cut.

One of the biggest surprises was growth in support for business tax cuts, Fishkin said. Going into the weekend, the idea was backed by 40 percent. Coming out of the session, support grew to 67 percent.

Support also grew for providing tax incentives to help small business and for luring outside firms to the state.

There was a willingness to raise the taxes that produce palpable pain, and the poll showed a desire to lower business taxes felt indirectly if lowering those increases economic development, Fishkin said.

That should be welcome news to the group Business Leaders for Michigan, which this week pressed lawmakers on its proposal to cut the Michigan Business Tax by more than \$1 billion and cover the revenue loss by requiring consumers to pay sales taxes on many personal services. The hit on consumers would be offset by lowering the current sales tax rate from 6 percent to 5.5 percent.

"The polling is not inconsistent with some of the stuff we saw earlier this year," said Doug Rothwell, executive director of Business Leaders for Michigan, a group of about six dozen CEOs from across the state.

"People realize that we've got to grow jobs and they realize that there is a connection between taxes and jobs," he said.

The group is starting a campaign to build support for a proposal also calling for requiring higher co-pays for public employee health insurance, reductions in the state's prison population and legislative changes that would make it easier to consolidate local governments and school districts.

The survey, the first conducted in the U.S., was funded with a \$770,000 grant from the Kellogg Foundation.

It can help give politicians cover by demonstrating the public will back difficult tax and spending decisions that benefit the state long term, Fishkin said.

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## ADDITIONAL SURVEY QUESTIONS

### Which bears responsibility for the state's economy?

- State government, 77 percent
- Big Michigan companies, 73 percent
- Labor unions, 65 percent
- Federal government, 64 percent
- Wall Street, 63 percent
- Events beyond anyone's control, 37 percent

### Of importance personally or for society:

- Keeping Michigan's economy competitive, 90 percent
- Promoting economic growth, 89 percent
- Caring for the poor, 82 percent
- Retiring comfortably, 79 percent
- Economic freedom, 66 percent
- Preserving traditional industries, 41 percent
- Earning as much money as possible, 57 percent

Perception of state government:

- 45 percent distrust

- 13 percent no opinion

### Raise the sales tax?

- 51 percent yes

### Cut the sales tax?

- 9 percent yes

### Neither?

- 37 percent

### Cut business taxes?

- 67 percent yes

### Raise business taxes?

- 14 percent yes

### Neither?

- 16 percent

### Raise beer and wine taxes?

- 69 percent yes

### Lower beer and wine taxes?

- 8 percent yes

### Neither?

- 22 percent

### Cut property taxes?

- 41 percent yes

### Increase property taxes?

- 11 percent yes

### Neither?

- 45 percent

### Raise gasoline taxes?

- 29 percent yes

### Lower gasoline taxes?

- 27 percent yes

### Neither?

- 43 percent

### Spend more on aid for public K-12 schools?

- 69 percent yes
- 16 percent no
- 14 percent neither

### Spend more on medical care for the poor?

- 64 percent yes
- 15 percent no
- 20 percent neither

Source: Stanford University

- 26 percent trust

**Satisfaction with state government:**

- 57 percent dissatisfied
- 20 percent satisfied

**Economic development efforts should focus on:**

- Knowledge-based/high-tech, 36 percent
- Manufacturing, 21 percent
- Alternative energy, 19 percent
- Agriculture, 13 percent
- Tourism, 6 percent

Source: Stanford University Center for Deliberative Democracy

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