

Can taxes ever be popular?

Isaac Martin

iwmartin@ucsd.edu

"The tax debates of the next few years are likely to be less concerned with the equity and efficiency of taxes than with their political acceptability."

— Alice Rivlin, "The Continuing Search for a Popular Tax," 1989

California's local governments are laboratories of fiscal democracy

Ever since **1978** (Proposition 13), a special tax needs **2/3** of voters

Ever since **1986** (Proposition 62), a general tax needs **1/2** of voters

Ever since **1996** (Proposition 218), there are basically no exceptions

California has a lot of local governments

58 counties

1,029 school districts

482 municipalities

more than 3,000 special districts

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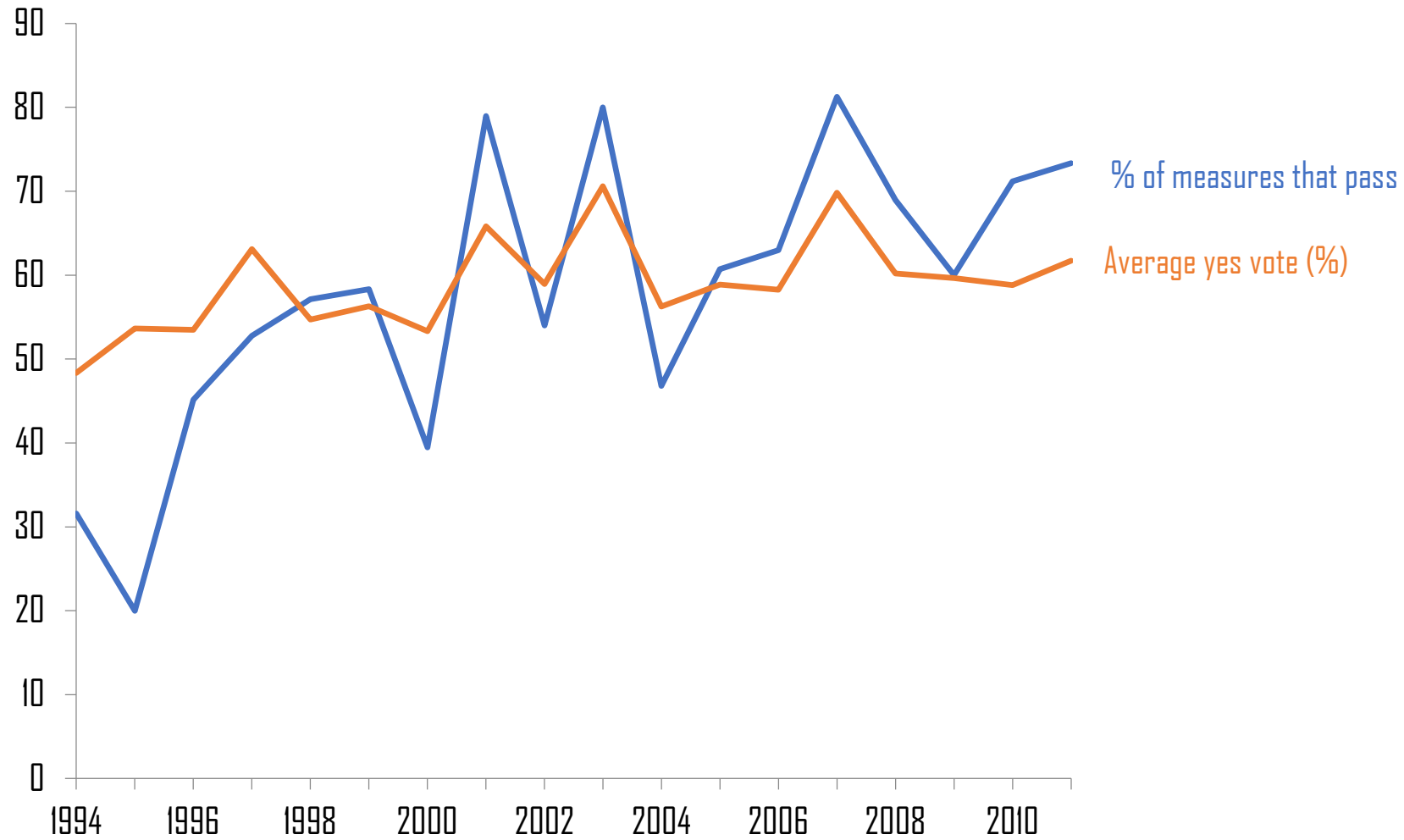
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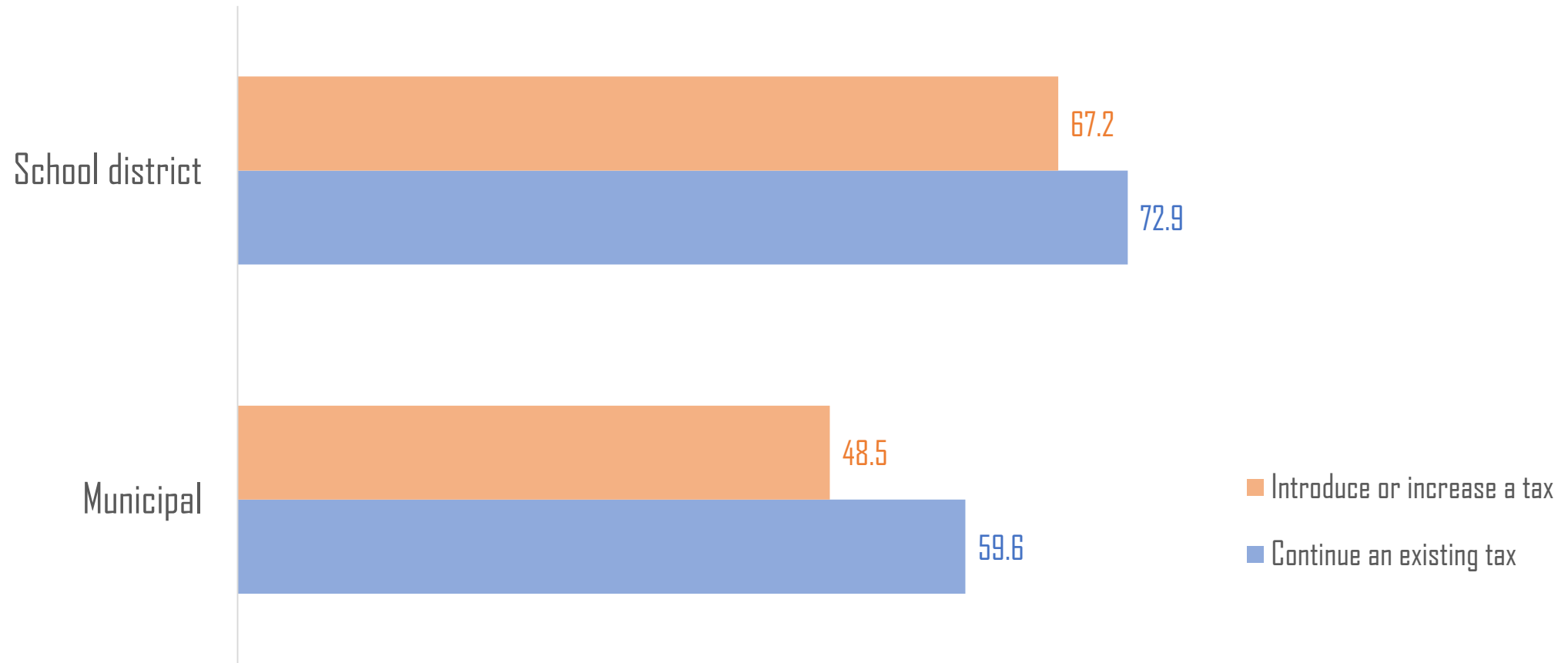
more than 3,000 special districts

...and therefore a lot of tax elections

Support for local tax measures has increased over time



Voters like any given tax rate better after they have lived with it



Voters like any given tax rate better
after they have lived with it... but why?

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Experiment 1.

Voters like any given tax rate better
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Imagine you are a longtime resident of Golden City in California.
Golden City is confronted with a budget shortfall.

[The city council proposes a tax measure.]

If this measure is approved by voters, the total sales tax rate will
be 8.25% for the next five years. If this measure is not approved
by voters, the total sales tax rate will be 8%.

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Imagine you are a longtime resident of Golden City in California. Golden City is confronted with a budget shortfall.

In order to maintain current levels of park services, the city council asks the voters to levy a **new, temporary** sales tax of 0.25%.

If this measure is approved by voters, the total sales tax rate will be 8.25% for the next five years. If this measure is not approved by voters, the total sales tax rate will be 8%.

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Imagine you are a longtime resident of Golden City in California. Golden City is confronted with a budget shortfall.

To pay for park maintenance, the city had **a temporary sales tax of 0.25% that is scheduled to expire** this year. In order to maintain current levels of park services, the city council asks the voters to **continue this tax**.

If this measure is approved by voters, the total sales tax rate will be 8.25% for the next five years. If this measure is not approved by voters, the total sales tax rate will be 8%.

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Is it because they like how the funds were spent?

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Experiment 2.

Voters like any given tax rate better after they have lived with it... but why?

The measure passed.

Five years later, the city council asks the voters to continue funding for park maintenance.

If this measure is approved by voters, the total sales tax rate will be 8.25% for another five years. If this measure is not approved by voters, the temporary sales tax will expire and the total sales tax rate will be 8%.

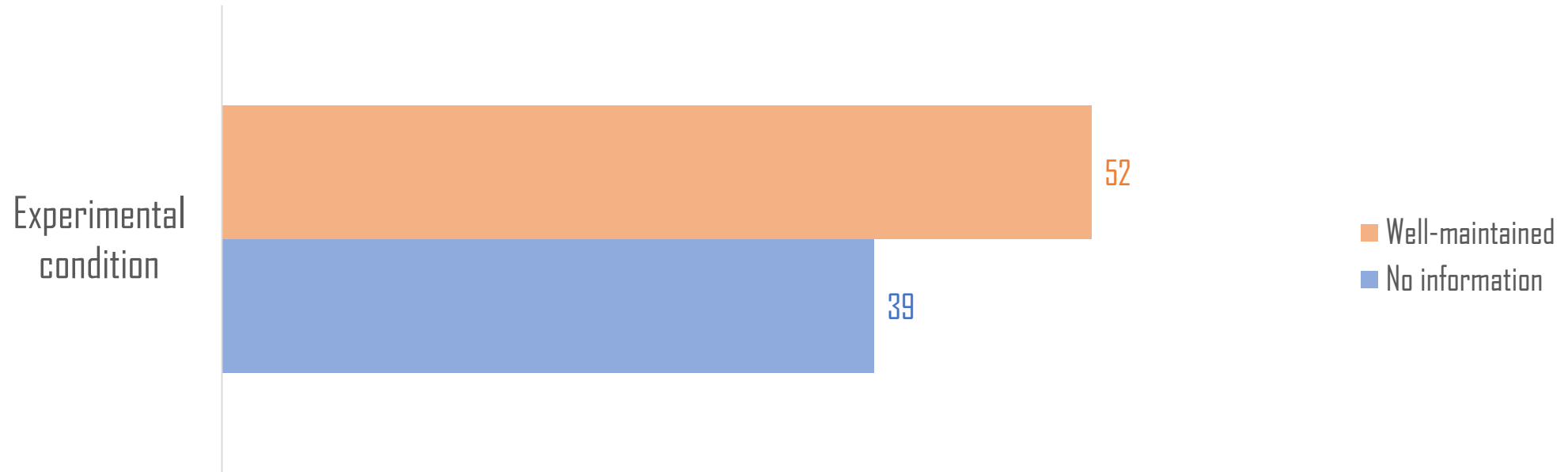
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The measure passed.

Five years later, **the parks are well maintained.** The city council asks the voters to continue funding for park maintenance.

If this measure is approved by voters, the total sales tax rate will be 8.25% for another five years. If this measure is not approved by voters, the temporary sales tax will expire and the total sales tax rate will be 8%.

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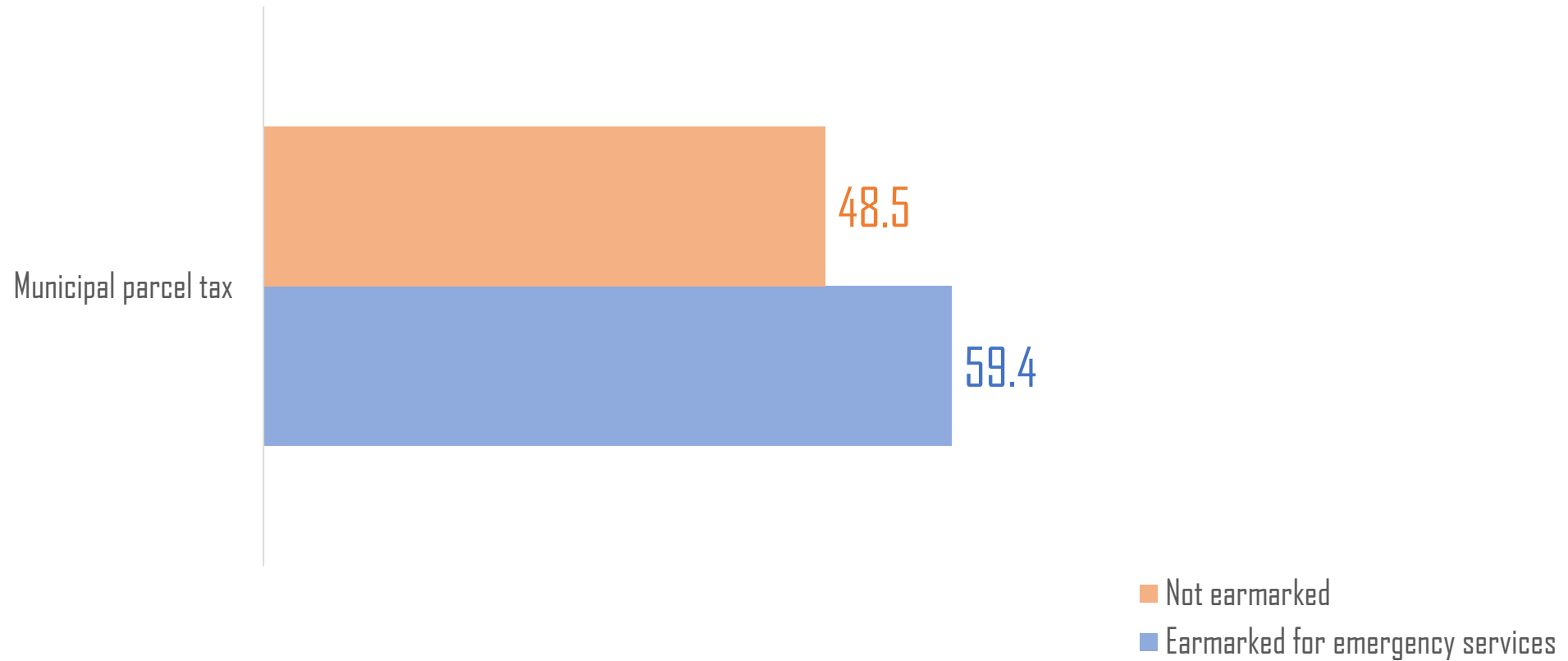
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Is it because they like how the funds were spent?

Yes.

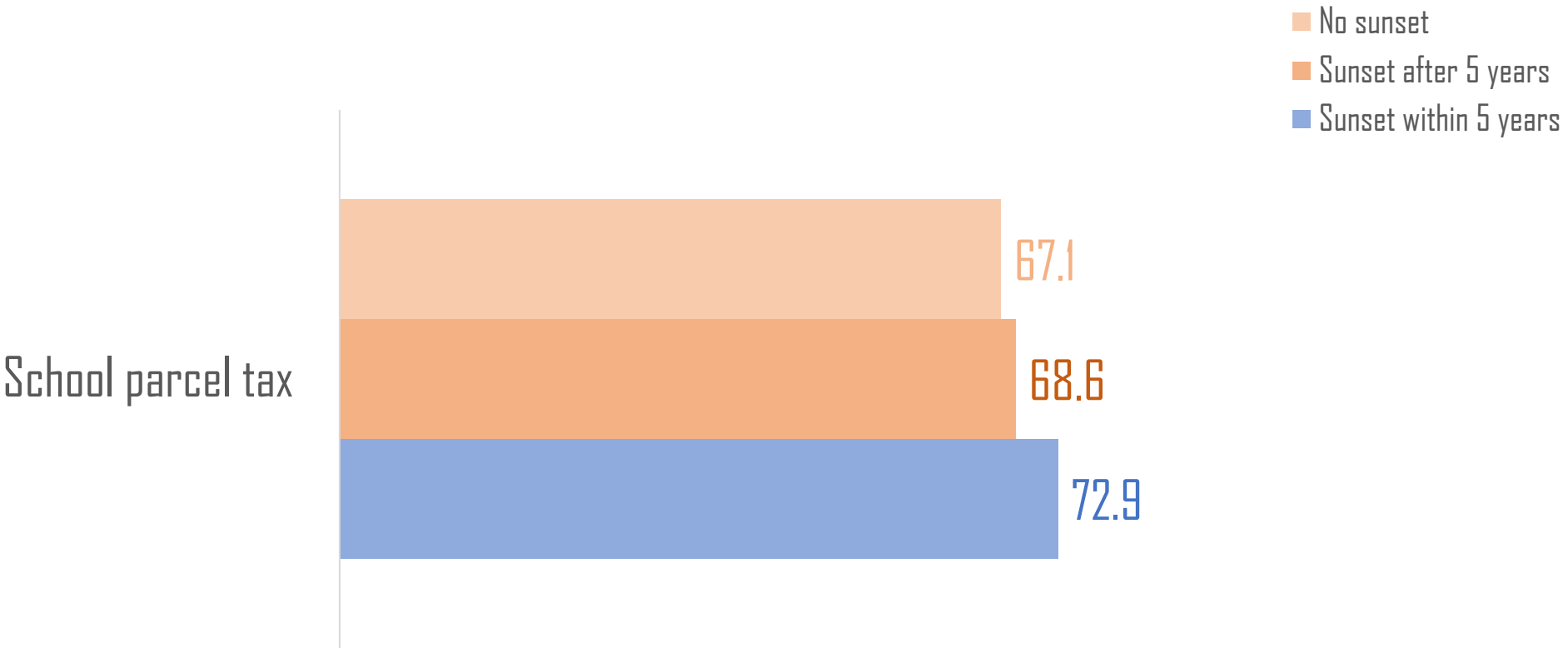
Accountability features are popular

Accountability features are popular ...such as *earmarks*



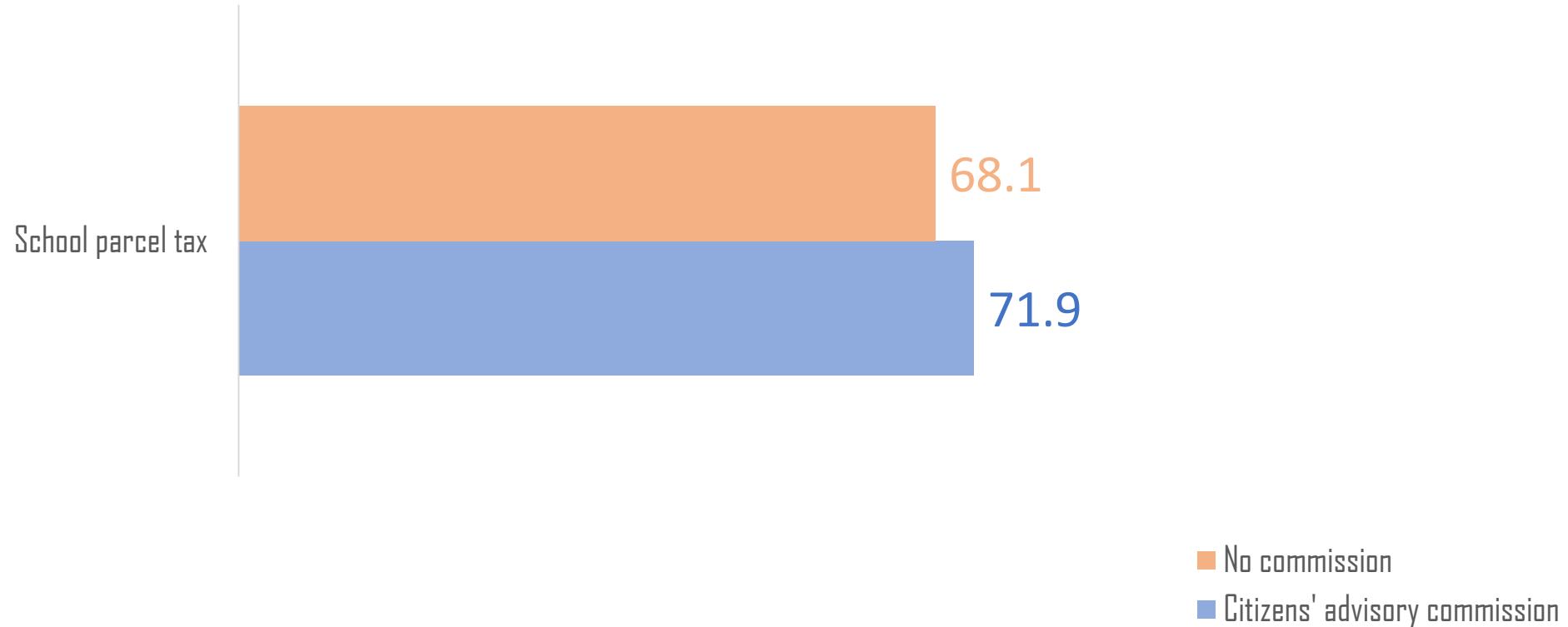
Accountability features are popular

Accountability features are popular ...such as *sunset clauses*



Accountability features are popular

Accountability features are popular ...such as *citizens' advisory commissions*



Don't make taxes invisible.

Make them transparent.

Don't fire your pollster yet.

For those who want to get into the weeds

Isaac William Martin and Jennifer Nations, "[Taxation and Citizen Voice in School District Parcel Tax Elections](#)," *Sociological Science*, vol. 5, no. 27 (2018): 653-668.

Isaac William Martin, Jane Lilly López and Lauren Olsen, "[Policy Design and the Politics of City Revenue: Evidence from California Municipal Ballot Measures](#)," *Urban Affairs Review*, vol. 55, no. 5 (2019): 1312-1338.

Isaac William Martin and Heather Harper, "[What Makes a Tax Policy Popular? Predicting Referendum Votes from Policy Text](#)," *Socius*, vol. 7 (2021): 1-17.

Isaac William Martin, Heather Harper, Germano Ribeiro, and Yen-Ting Hsu, "[Tax First, Ask Questions Later? New Evidence of the Pearson Effect from California Local Elections](#)." Paper prepared for the Annual Meetings of the American Sociological Association (2022).