Can taxes ever be popular?

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“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.”

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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...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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Is it mere status quo bias?
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Experiment 1.
Voters like any given tax rate better after they have lived with it... but why?

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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Is it because they like how the funds were spent?

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

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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Is it because they like how the funds were spent?

Yes.
Accountability features are popular
Accountability features are popular...such as *earmarks*
Terms associated with popularity of taxes, from 848 impartial analyses
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


