

SUMMARY

The following four points summarize the most important results of the citizen interview survey.

1. Desired Policy, Approved by a Majority of Citizens

Adjust the income tax for inflation. 68% favor and 15% oppose changes in the tax law to make income taxes depend on purchasing power.

Make income taxes progressive with increasing rates on increasing incomes. 69% favor and 26% oppose rates that rise with income. A third of Wisconsin citizens feel that the income tax favors the wealthy more than others, because the wealthy are in a position to use loopholes and shelters.

Increase the share of sales taxes in total revenues collected, if necessary. If pressed, 57% would raise the sales tax in preference to property or income taxes, while 30% are opposed. Slightly less than half the people favor reductions in property taxes (47%); fewer would decrease income taxes (41%).

2. Policy Change That Receives Substantial Support Characterized by Some Strong Opposition or Opinion that Varies According to Specifics of the Proposal

Reexamine exemptions from the property tax. Only 14% objected to all the proposals suggested for having nonprofit institutions pay for municipal services. About 44% would support a requirement that churches pay for such services; such payments seemed more reasonable for hospitals (51%) and fraternal orders (71%).

Utilize user charges. Among the three kinds of services to be offered at increased charge (recreation, sanitation, and motor vehicles), none was endorsed

by a majority. Increased user charges for recreation were favored by 43%. Great interest was expressed in changes that reach out-of-state users of Wisconsin's public facilities.

Review assessment and appeal procedures for the property tax. Although 46% of owners are unable to recall their actual property assessments, about 60% call the level "about right" and almost half agree that assessments in their community are done "fairly and accurately." Note, however, that nearly a third of owners who thought their assessments were high have appealed or feel that their assessment deserves an appeal.

Increase the benefit from the homestead credit according to family size. A bare majority (51%) supports this idea and some opposition exists (37%).

Relieve property taxes for the elderly in need. In direct questioning, few favored increasing homestead benefits as compared to those who desire the status quo but a plurality of 40% favors some type of property tax abatement for needy aged persons and the majority feels either tax abatement or increased spending programs are appropriate for this group.

Provide flexibility for property tax payment. One in seven homeowners feels the need for a monthly system of payment. The remaining homeowners appear satisfied with their present payment procedures.

3. Support for Existing Legislation and Programs

Do not decrease business's share of taxes. When tax increases for individuals are given as the consequence, 76% support and 16% oppose this view; 38% would, however, support reductions in taxes related to new jobs created by the business.

Maintain cost controls and levy limits on governments within the State.

69% support and 21% oppose this view.

Maintain local services, rather than cutting property taxes and service levels. 69% support and 26% oppose this view.

Do not increase state aid payments to local governments if additional taxes are required at the State level. 57% support and 30% oppose this view.

Maintain the existing level of school aids, rather than increasing State income taxes. 64% support and 28% oppose this view.

(In neither instance were respondents asked about increased aid paid from present revenues; 30% would return a surplus in increased aids; 49% prefer a reduction in individual taxes.)

Citizens reject additional aids that come with loss of local flexibility.

4. Other Proposals

Tax simplification is important, but not overriding. 77 per cent of tax return preparers view simplifications as important. However, less than a third of preparers would yield a deduction in favor of a simplification in the filing process.

Property taxes are seen as the most important factor in tax-motivated out-migration for families with above average incomes.

Lower all taxes; eliminate a major tax source was a view held by only a small fraction of citizens. Less than 1% proposed eliminating a major tax source such as the sales or property tax, and only 4% proposed an indiscriminate downward adjustment of all taxes.

Only one in 20 was aware of any program undertaken by the State Legislature to reduce property taxes by shifting the burden to the State.

The citizens of Wisconsin reveal clear and consistent attitudes on taxation. Our analysis shows high information levels and few instances in which respondents contradict themselves in related questions on the same topic. Overall response to the survey supports the view that Wisconsin citizens are thoughtful and knowledgeable on tax matters.