



Where Strategy Meets Science

To: Reform for Nebraska's Future
From: Brenda Gianiny
President, Axis Research
Date: January 6, 2017
RE: Nebraska Statewide Poll

Methodology

On behalf of Reform for Nebraska's Future, Axis Research conducted a poll including 502 registered voters in Nebraska, selected randomly from the state's voter file. Voters participating in the study were distributed proportionate to the population of the state. Interviews were conducted via phone, with 56% of interviews conducted via cell phone and 44% on landline phones. The interviews took place during evening hours from Monday, January 2nd through Thursday, January 5th, 2017 to encourage maximum participation.

The margin of error on these findings is $\pm 4.46\%$.

Summary of Results

The top three issues of importance to Nebraska voters are: health care (35%), education (32%), and state and local taxes (30%). All other issues trail these priorities by more than five points. Two things stand-out as surprising when looking at how Nebraskans rank their top issues for the state. First, the greater importance of health care over education. Typically, in just about any state we survey, education is the predominant issue for voters on a local or a state level. The fact that education is the second most important issue in the state is noteworthy. The other stand-out is the increased importance placed on state and local taxes. Taxes are most often a second tier – and often third tier – issue to voters in a state, providing our first glimpse into how much of Nebraskans' attention is focused on taxation in the state.



AXIS

Where Strategy Meets Science

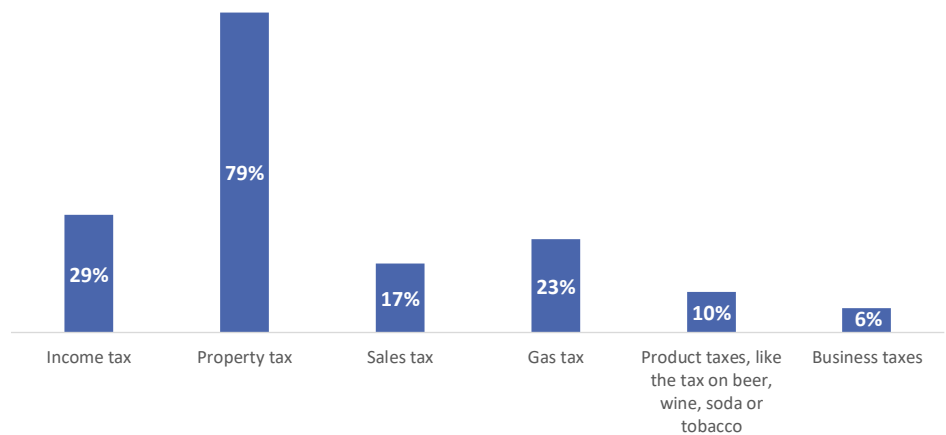
And voters in the state are focused on taxation. When asked to consider state and local budgets and how the state and local governments tax citizens, a full 88% of Nebraskans said the budget and system of taxation is need of reform. Over one-third (34%) responded that the state budget and system of taxation was in need of “major reform”. Overall, we see an electorate that is focused on state and local taxes and looking for reform.

Of those who believe state and local taxes in the state are “too high” (63% of all voters), the large majority single out property taxes. When asked which state or local tax is deemed to be too high, 79% of voters mentioned

property taxes. This excludes the 5% that reported “all taxes” are too high. Those most likely to say property taxes are too high include the majorities of all regions throughout the state, all income levels, and even all age ranges (including millennials).

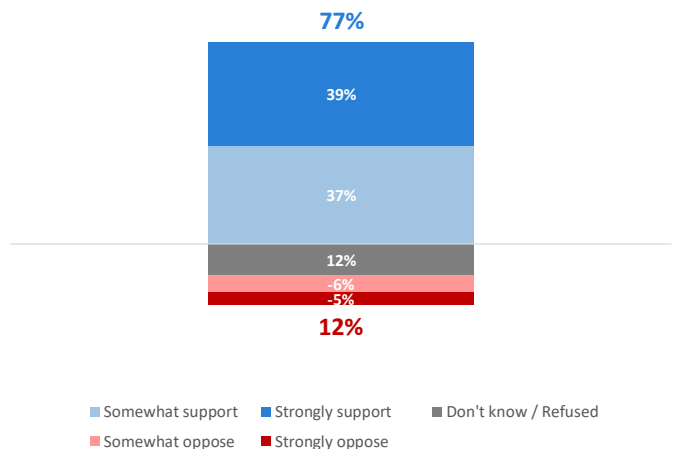
Concern peaks with: upper income households (93% believe property taxes are too high), teachers’ union members (90%), middle-aged households (87%), and households with school-aged children (86%). While the survey shows taxes are a concern, the data also provides clear direction for which tax is believed to be the biggest problem.

Which state or local tax that you pay would you say is too high?



As would be expected given this data, property tax reform is broadly supported; 77% of voters in the state support property tax reform. This includes 39% who STRONGLY support reform and can become real advocates for the effort. We do see a desire for voters to engage and become more involved with property tax reform efforts. Almost seven-in-ten (68%) support taking the decision to reform property taxes directly to voters on the ballot. Nearly half of the electorate (45%) STRONGLY supports getting a chance to vote on reform themselves.

In general, do you support or oppose Nebraska reforming property taxes?





Just 12% of voters are opposed to reforming property taxes in the state. Among each region, each demographic group, and each segment of the electorate studied, opposition to reform never rises above a quarter of the vote. Even among audiences who might be viewed as cautious to property tax reform, we see strong support (75% support among renters; 67% support among teachers’ union members), highlighting both the broad nature of support and the view among voters that the current system of taxation is not what’s best for Nebraska’s future.

The survey also provides some insight into what is driving the support for property tax reform. When asked to agree or disagree with several statements both pro-reform and anti-reform, we saw widespread agreement with statements expressing concern over both the increase in property taxes and the dependency of public schools on one revenue source. In contrast, voters rejected the idea that property tax reform would hurt public education (73% disagree). Reinforcing this, 86% of teachers’ union members agree with the following statement “Property tax reform is necessary and can be done while also preserving public education funding”, just 2 points below the 88% of the full electorate that agrees with the same statement.

Not only is reform supported on a more conceptual level, but voters support concrete proposals to reform property taxes. In fact, every reform proposal tested received majority support from voters:

Proposal	% In Favor
Lowering property taxes and maintaining school funding through broadening the sales tax base which, in turn, creates more balance.	73%
Lowering property taxes and cutting spending on programs and services that have grown too big or duplicate other departments.	72%
Lowering property taxes and funding schools by collecting the sales tax on products bought from internet retailers like Amazon and EBay.	67%
Lowering property taxes and funding schools through a one-cent increase in the state sales tax.	66%
Stating total property taxes collected in any one year should not exceed the amount of income tax or sales tax collected in the same year.	59%

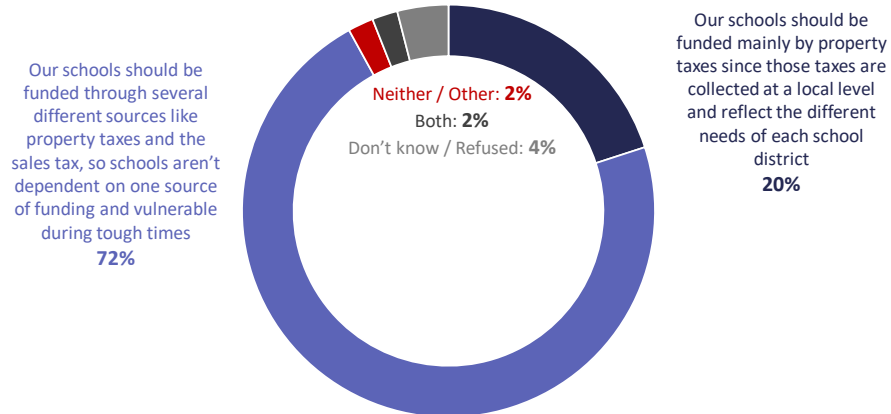
Voters are clear; they are looking for property tax reform and they are willing to support many different approaches to accomplish this goal. The data also shows, however, that the goal is not only to lower property taxes but also a better and more stable revenue source for Nebraska’s schools. When given the choice of funding schools through property taxes to keep decisions at the local level and reflect the needs of each district **OR** diversifying the funding of schools through several revenue sources, voters overwhelmingly choose diversification (by a more than 3 to 1 ratio, as illustrated on the following page).



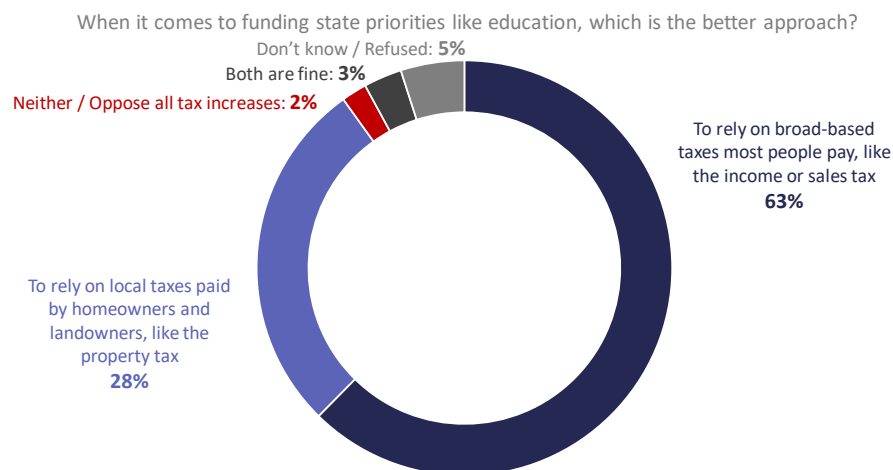
AXIS

Where Strategy Meets Science

Between the following two viewpoints, which is closer to your own?



Similarly, voters understand that a broad-based tax that the majority of voters pay is a smarter approach to education funding over local taxes paid by homeowners and landowners by a fairly significant 35-point margin. Broad-based taxes are favored by a majority of voters in all regions: the South (71% favor), the North (67%), Grand Island/Kearney (65%), Lincoln (64%), Omaha (58%), and the West (57%). Likewise, voters at all income levels also favor broad-based taxes for education funding, with support peaking in middle-income households: <\$30,000 (61% favor), \$30-\$50,000 (63%), \$50-\$100,000 (70%), \$100,000+ (55%).



In the end, after hearing key points on the pros and cons of property tax reform, support jumps to 83% of voters supporting property tax reform in Nebraska. This includes nearly half of all voters (49%) who STRONGLY support reform. As shown, a campaign to introduce reform to these voters and educate them on their options would be well-received and effective in creating both enthusiasm for engagement and support.