

April 12, 2010

To: Interested Parties
From: Ben Tulchin and Julie Lein, Tulchin Research
Re: **Statewide Survey Finds Pennsylvanians Want To Preserve Public Services and Have Corporations Pay Their Fair Share**

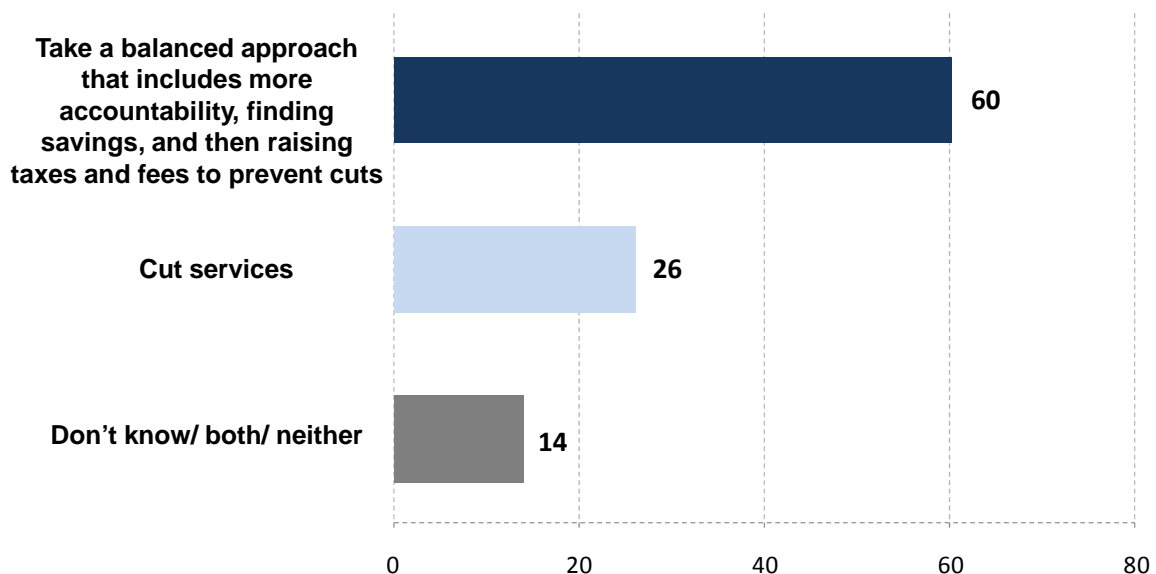
With budget constraints facing their state, Pennsylvania voters support a comprehensive solution of savings, accountability, and tax increases to balance the budget without cutting public services. A majority of voters – across all regions of the state – prefer to find savings and then raise taxes to prevent cuts. The public favors making corporations and the wealthy pay their fair share, emphasizing that the state should close corporate tax loopholes and increase the tax rate on wealthy individuals.

Voters favor a comprehensive approach

The survey found that voters, by a greater than two-to-one margin, prefer a balanced approach of “accountability, finding savings, and then raising taxes and fees to prevent cuts” (60%) over cutting services (26%) in order to balance the budget. Voters recognize the struggles facing the state, and they prefer a solution that still maintains Pennsylvania’s commitment to education, health care, and other essential services.

Voters prefer a balanced approach to prevent cutting services

As you may know, the state may be facing a potential budget deficit in 2010. If the state does face a budget deficit in 2010, how would you prefer to balance the budget?



Support for a balanced approach of savings and tax increases crosses party lines. Over two-thirds of independents (69%) and strong majorities of Democrats (64%) and Republicans (54%) favor a comprehensive solution.

Support for a Comprehensive Solution by Party			
	Balanced approach, including raising taxes	Cut services	Both/ neither/ don't know
Democrats	64%	21%	15%
Independents	69%	24%	7%
Republicans	54%	34%	12%

These results are also consistent across the state. From Erie to Philadelphia, a majority of voters favors a comprehensive approach to balancing the budget that includes raising taxes in order to prevent cuts. Specifically:

- In Southeastern Pennsylvania, two in three voters (66%) favor a balanced approach, including 75 percent in Philadelphia, 69 percent in the suburbs, and 55 percent in the Berks-Lehigh area;
- In Central and Northeast Pennsylvania, voters indicate strong support for a balanced approach to the budget, with 62 percent in the Scranton- Wilkes Barre media market, 55 percent in Johnstown-Altoona, and 60 percent in Harrisburg-Lancaster-York favoring a balanced approach.

Support for a Balanced Approach by Region			
	Balanced approach, including raising taxes	Cut services	Both/ neither/ don't know
All voters	60%	26%	14%
Southeastern PA	66%	25%	9%
Philadelphia	75%	14%	11%
Inner Suburbs	69%	21%	10%
Berks – Lehigh	55%	37%	8%
Pittsburgh	48%	33%	19%
Scranton- Wilkes Barre	62%	22%	16%
Johnstown – Altoona	55%	34%	11%
Harrisburg – Lancaster – York	60%	24%	16%

Strong support for making corporations and the wealthy pay their fair share

A key component to preventing service cuts through a balanced approach is tax increases. Voters understand that we need to raise taxes to avoid budget cuts, including cuts to our schools. Voters’ receptiveness to raising taxes varies depending on the type of tax proposed and who would get taxed. Pennsylvanians voice the strongest support for taxes that make corporations and the rich pay their fair share. While voters do not support an increase in the income tax, they favor reforming the system by raising taxes on the wealthy and taxing investment income at a higher rate.

The most popular tax increases, supported by a majority of voters, include:

- **Closing corporate tax loopholes so Pennsylvania businesses all pay their fair share** (81% total support, with 58% strongly supporting);
- **Creating a tax on cigars and smokeless tobacco products** (68% support, with 55% strongly supporting);
- **Reforming the tax system so that wealthier individuals pay a higher rate than middle class taxpayers** (60% support);
- **Having a higher rate on investment income and capital gains earned by wealthy individuals** (56% support); and
- **Creating a tax on drilling of natural gas in Pennsylvania’s Marcellus Shale** (51% support).

Support and Opposition for Tax Increases			
	Support	Oppose	Don’t know
<i>Close corporate tax loopholes so Pennsylvania businesses all pay their fair share</i>	81%	15%	4%
<i>Create a tax on cigars and smokeless tobacco products</i>	68%	30%	2%
<i>Add deductions to the income tax and raise the rate so middle class families pay less and wealthy individuals pay more</i>	65%	30%	5%
<i>Reform the tax system so that wealthier individuals pay a higher rate than middle class taxpayers</i>	60%	36%	4%
<i>Have a higher rate on investment income and capital gains earned by wealthy individuals</i>	56%	41%	3%
<i>Create a tax on drilling of natural gas in Pennsylvania’s Marcellus Shale</i>	51%	39%	10%

With the state facing a potential budget deficit and many Pennsylvanians out of work, voters support a balanced approach to preserve our social services, including education, while ensuring the wealthy and corporations pay their fair share. Tough times call for tough measures, and Pennsylvanians express a desire for a comprehensive solution through tax increases to preserve funding for public services.

Methodology

From December 15 – December 20, Tulchin Research conducted a telephone survey of 650 likely voters in Pennsylvania, with 600 voters statewide and an oversample of 50 voters in the Southeastern portion of the state. The margin of error is +/- 3.9 percentage points for the statewide sample.