New poll: Public favors income tax on wealthy over sales tax to fund regional transportation

OAKLAND, CA - A recent poll of likely Bay Area voters showed that an income tax surcharge on incomes over one million dollars is more popular than a sales tax as a way to fund regional transportation improvements. The poll also showed that even amidst the coronavirus pandemic, Bay Area residents see the importance of investing in and improving public transportation in the long term.

Voices for Public Transportation, a regional coalition of more than 30 labor, community, and advocacy organizations, spearheaded the poll with support from foundations across the Bay Area. The purpose of the poll was to explore public support for progressive revenue sources to fund improvements to make the Bay Area's public transportation more frequent, affordable, accessible, and connected.

"Even during this crisis, people know we need to make major transportation improvements in the long run," said Hayley Currier, Policy Advocacy Manager at TransForm and one of the leaders of Voices for Public Transportation. "But voters are tired of funding public transportation with regressive sales taxes."

The survey, conducted by EMC Research between March 12 and 19, 2020, included 2,653 interviews, divided into six samples of about 400 respondents each. This was an unprecedented moment, just as the seriousness of the coronavirus pandemic became clear to many Americans. The Bay Area's Shelter in Place order was issued on March 16, 2020. EMC Research also conducted polling for FASTER Bay Area in 2019 about funding a regional transportation measure with a sales tax.

"Even during this time of extreme uncertainty and economic anxiety, survey respondents were supportive of improving public transportation," said Yvonne Williams, president/business agent of Local 192 of the Amalgamated Transit Union. She added that the federal emergency transit funding in the CARES Act — including \$1.3 billion for the Bay Area — "is just the beginning of what is needed to protect workers and riders during this pandemic, and to keep public transit running beyond it."

Key Findings:

- Voters indicated strong support for public transportation, even in an uncertain economy. The vast majority of respondents (87%) voiced support for VPT's proposed investments for a regional transportation measure to make the Bay Area's public transportation more frequent, affordable, accessible, and connected.
- The highest support for any revenue source in the poll was for an income tax surcharge on incomes above \$1,000,000 for individuals and couples 66% support by likely voters. After hearing supportive arguments, support increased to 74%.
- The 1% sales tax fell far short of the necessary two-thirds threshold, at 60%. The sales tax also showed the highest susceptibility to negative messaging, which reduced support to 49%.

- A 1% income tax surcharge on incomes above \$300,000 (\$500,000 on joint returns) also polled higher than the sales tax, at 63%.
- The general mood among respondents about whether the Bay Area was "going in the right direction" was virtually unchanged from before COVID-19. In January 2020, 48% said things were going in the wrong direction, and it was 47% in this poll, conducted in March 2020.

The poor showing for sales taxes in this poll mirrors recent election results. Two transportation sales tax measures on March 3 Bay Area ballots — one in Contra Costa, and another in Sonoma and Marin— did not reach the necessary 66.7% to pass.

"Voters rejected transportation sales taxes at the ballot in March and now COVID-19 is showing us how unstable sales tax revenue is during an economic downturn," said Peter Straus of San Francisco Transit Riders. "New sales taxes will likely face an even steeper climb at the ballot box in the next few years as the economy recovers. It's time to find new and better ways to fund critical public services like transit."

Advocates acknowledge that enabling legislation for a regional transportation funding measure would need to include new authority to tax by some of these progressive revenue sources, which have not been implemented on a regional scale before. The revenue sources in the poll were previously the subject of a research report sponsored by the Silicon Valley Community Foundation and prepared by Strategic Economics.

"We don't have to choose between doing what is best for transit-dependent essential workers during this pandemic and our larger Bay Area community," said Vinita Goyal, Program Officer for Housing and Transportation at Silicon Valley Community Foundation. "We can make new investments in public transportation in ways that do not create additional burden for those facing serious economic hardship. These polling results show us that the solution is clear—those who can pay more should pay more."

"Public Transportation is more than giving rides to people," said Mary Lim-Lampe, Executive Director of Genesis, a regional interfaith community organization. "Public transportation is an essential public service that provides access to opportunity for all of us, especially those who are often left behind. A just recovery must include bold solutions that find ways to lift all boats."

####

Voices for Public Transportation is a regional coalition of more than 30 labor, community-based organizations, and transportation and equity advocates. Learn more at mobilizethebay.org.

This poll was generously funded with support from the Silicon Valley Community Foundation (SVCF), the San Francisco Foundation (TSFF), The Chan Zuckerberg Initiative, and the Great Communities Collaborative (which includes a network of Bay Area funders including TSFF, SVCF, The California Endowment, the Grove Foundation, the Hewlett Foundation, the Lisa & Douglas Goldman Fund, and the Packard Foundation).

See the <u>research into revenue sources</u> sponsored by SVCF and conducted by Strategic Economics: https://www.siliconvalleycf.org/blog/announcements/how-can-we-fund-our-transportation-investments-equitably

