



**Media Contacts:**  
**Dr. Susan A. MacManus**  
Distinguished University Professor and Project Director  
Direct phone: (813) 503-0561 | [macmanus@usf.edu](mailto:macmanus@usf.edu)

**Angela Crist**  
Director, Florida Institute of Government  
Direct phone: (813) 857-8801 | [acrist@usf.edu](mailto:acrist@usf.edu)

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## **Money matters: Floridians are *changing their attitudes* about State finances; strongly supporting automatic voter registration**

By Susan A. MacManus, *Project director*

The 2018 session of the Florida Legislature is right around the corner. Economists are projecting a tight budget year, setting the table for a contentious, competitive session. Legislators, lobbyists, and policy advocates and adversaries will find the 2017 USF-Nielsen Sunshine State Survey's findings on State fiscal matters instructive.

Trend analyses show slight changes in attitudes about approaches to preparing the State budget (more open to raising taxes to improve critical services and infrastructure), growing animosity toward the communication services tax, less support for offering incentives to encourage businesses to expand or relocate to Florida, and mixed opinions about using State funds to promote Florida tourism.

Perhaps reflective of an improving economy, fewer Floridians complain that the State taxes are too high relative to the State services they receive. Fewer, too, say the State spends tax revenue in a "relatively wasteful" manner, and they are less likely to give the State government "poor" marks for how it manages its finances.

Related to State spending, a clear majority would like to see Florida establish automatic voter registration. Such new policies, accompanied by budget considerations, generate intense debate—nothing new in the nation's third largest state and one of the most socioeconomically and politically diverse.

### **Floridians' attitudes toward State budget preparation have changed since 2016.**

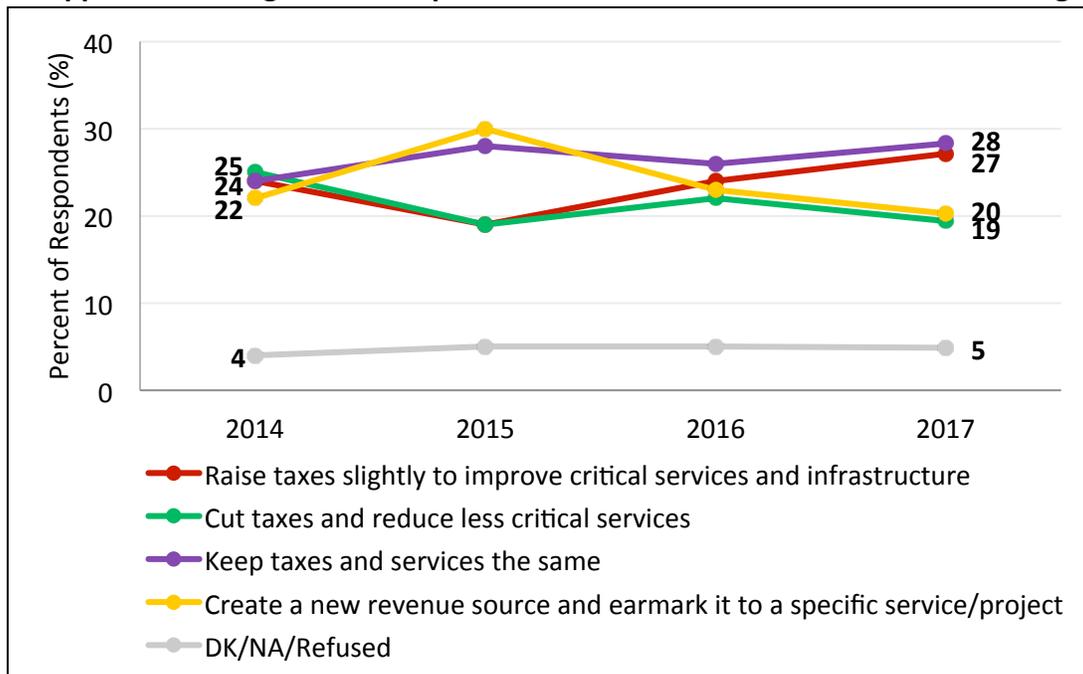
**Floridians are split over their preferred State budget approach.** When asked: "*Which of the following approaches would you like to see the Florida Legislature take when drawing up its annual State budget?*" nearly equal shares choose "keep taxes and services the same" (28%) as "raise taxes slightly to improve critical services and infrastructure" (27%). Fewer favor options to "create a new revenue source and earmark it to a specific service or project" (20%) or "cut taxes and reduce less critical services" (19%). Five percent have no opinion. Calculated

differently, the share preferring no tax increases or service expansion (47%) is identical to those who would entertain a tax increase and more spending on services/projects (47%).<sup>1</sup>

**Significantly, the share that supports “raising taxes to improve critical services and infrastructure” is on the upswing—from 19% in 2015 to 27% in 2017. Over the same period, the share supporting “creating and earmarking a new revenue source” has fallen from 30% to 20%. More recently, support for “cutting taxes and reducing services” has fallen to a low of 19%.** This “let’s catch up” pattern is not uncommon in a period following a recession during which service cutbacks and infrastructure spending delays were the norm.

Support for more fiscally-conservative approaches (no tax increases or service expansion) is highest among the youngest and oldest age cohorts and those with lower household incomes and less formal education. Regionally, preferences for fiscal conservatism are strongest among residents of the Miami/Fort Lauderdale (53%) and North Florida (55%) regions. Floridians more in favor of tax and service expansion approaches are from middle- and higher-income households (above \$35,000), college graduates, and residents of Orlando (55%) and Palm Beach (58%) areas.

**Support for raising taxes to improve critical services and infrastructure is rising**



Question wording: “Which of the following approaches would you like to see the Florida Legislature take when drawing up its annual state budget? Cut taxes and reduce less critical services; Keep taxes and services the same;

<sup>1</sup> Preferring no tax increases or service expansion (keep taxes, services the same + cut taxes, reduce services responses); would entertain a tax increase and more spending on services/projects (raise taxes to improve critical services and infrastructure + create a new revenue source and earmark it to a specific service/project responses).

Raise taxes slightly to improve critical services and infrastructure; Create a new revenue source and earmark it to a specific service/project.”

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error  $\pm$  2.8%.

**2017 USF-Nielsen Sunshine State Survey**

### Changing patterns of revenue *unfairness*: communication services tax up, gas tax down

Over the years the survey has changed response options for the question on which revenue source is the *least fair*. That said, the findings in the most recent surveys, 2014 to 2017, show two trends: (1) a sharp increase in the share identifying the communication services tax as the least fair; and (2) a decline in mentions of the gas tax. Opinions have been less volatile on property taxes, road tolls, and the State sales tax as “least fair” revenue sources.

**Trend: Least Fair State Revenue Source, 2008-2017\***

	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2014</u>	<u>2015</u>	<u>2017</u>
<b>Communication services tax</b>					<b>30</b>	<b>32</b>	<b>46</b>
<b>Property taxes</b>	34	32	24	22	20	18	20
<b>Road tolls</b>				14	10	13	13
<b>Gas tax</b>	16	20	26	24	12	9	8
<b>State sales tax</b>	8	6	6	6	3	3	5
<b>Liquor/cigarette excise taxes</b>	4	14	10	6	4	5	
<b>Lottery</b>	7	8	6	5	3	4	
<b>Corporate taxes</b>	6	5	7	6	5	4	
<b>Hotel/tourist taxes</b>	6	5	6	5	4	3	
<b>User fees</b>	3	6	11	6	4	2	
<b>Other</b>							1
<b>DK/NA/Refused</b>	16	5	4	7	5	7	6

Question wording: “Which one of the following Florida government revenue sources do you feel is the least fair?”

\*Over the years, the response options given for the question prevent direct historical comparison of results. Also, the question was not asked in the 2016 Sunshine State Survey.

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error  $\pm$  2.8%.

**2017 USF-Nielsen Sunshine State Survey**

The Florida Department of Revenue defines communications as “voice, data, audio, video, or any other information or signals, transmitted by any medium.”<sup>2</sup> Who are the most likely to cite

<sup>2</sup> Communications services subject to tax include, but are not limited to: Local, long distance, and toll telephone; Voice over Internet Protocol (VoIP) telephone; Video service (for example, television programming or streaming), whether provided by a cable, telephone, or other communications services provider; Direct-to-home satellite; Mobile communications; Private line services; Pager and beeper; Telephone charges made at a hotel or motel; Facsimiles (fax), when not provided in the course of professional or advertising service; Telex, telegram, and teletype. The Florida communications services tax includes state tax and gross receipts taxes. The total tax rate for the Florida communications services tax is 7.44%. The state tax rate is 4.92%. The total rate for the gross receipts tax is 2.52%, comprised of a .15% rate and a 2.37% rate. (The gross receipts taxes on

the communication services tax as the most unfair? Women, Floridians ages 55 to 79, college graduates, and respondents with a child enrolled in school—the largest user groups and the most likely to be attentive to the taxing of technology. Regionally, Naples-area residents (58%) are the most likely to identify the communication services tax as the most unfair State revenue source, and those living in the Miami/Fort Lauderdale region (36%) the least.

One-fifth of Floridians view the property tax as the least fair revenue source. The most significant differences are geographical. Residents of Miami/Fort Lauderdale (high cost housing) and Tampa Bay (high growth) are considerably more likely to point to property taxes as the least fair (27% and 24% respectively), than those living in the Naples (14%), Orlando (15%), North Florida (16%), or Palm Beach (17%) regions.

Road tolls are perceived as the most unfair revenue source by those more likely to frequently encounter tolls—men, younger Floridians, and employed persons (full- or -part-time) and those living in Miami/Fort Lauderdale and Orlando (the most toll-intensive parts of the state).

Consumption-based taxes (gas and sales) are identified as the most unfair revenues by those most likely to view them as taking a larger share of their income—those with lower household incomes, less formal education, part-time and unemployed persons, African Americans, and older Floridians. There are no significant regional differences.

### **More Floridians now say the taxes-paid-to-services-received ratio is “about right.”**

***A significant increase has occurred in the share saying the State taxes they pay are “about right” relative to the quality of State services they receive—from 47% in 2012 to 59% in 2017.*** While more still say their State taxes are “too high” than “too low” for the services received,<sup>3</sup> the share has fallen from 41% to 27%—a 14-point drop. (The proportion saying “too low” has remained more stable over the same period—6% in 2012 to 9% in 2017.)

Those most likely to say they are getting their tax dollars’ worth in services are those ages 55 to 64 (65%) and 65 to 79 (64%), having a child at home (64%), and having a household income of \$75,000 or more (65%), as well as residents of North Florida (65%).

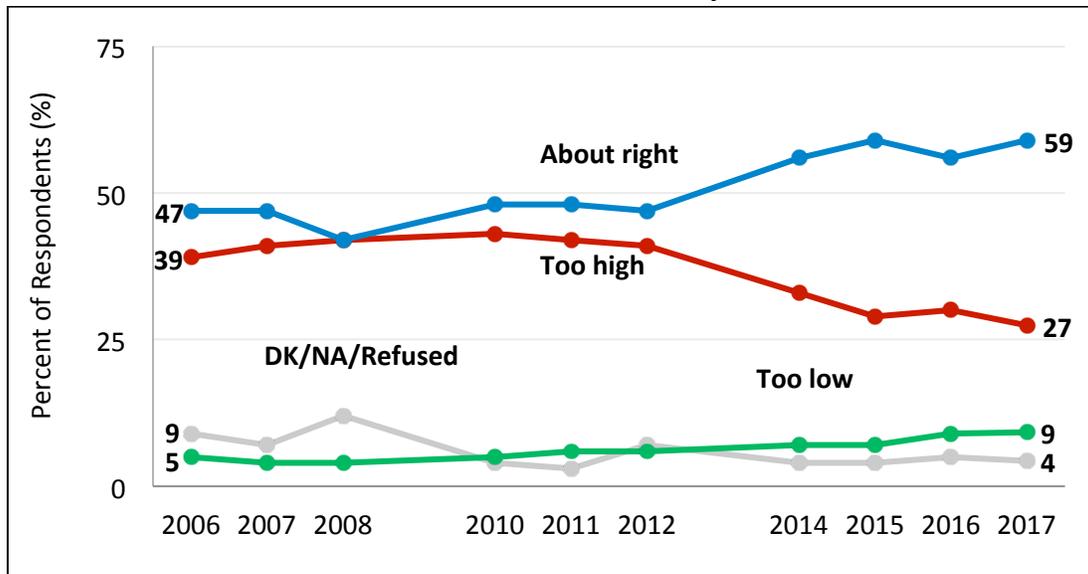
Residents perceiving they are getting shortchanged (taxes more than services received) are younger Floridians ages 18-34 (35%), African Americans (43%), unemployed persons (43%), and those living in the Miami/Fort Lauderdale area (36%).

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communications services is imposed under Chapter 203, Florida Statutes [F.S.], but administered under Chapter 202, F.S.) <http://floridarevenue.com/taxes/taxesfees/Pages/cst.aspx>; accessed November 20, 2017.

<sup>3</sup> “Too high” responses combine “much too high” and “a little too high” responses; “too low” responses combine “a little too low” and “much too low” responses.

**Since 2012, significant increase in share saying their State taxes are “about right” relative to the State services they receive**



Question wording: “In terms of the overall quality of state services provided in Florida, do you feel your state taxes are much too high, a little too high, about right, a little too low, or much too low?”

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error ± 2.8%.

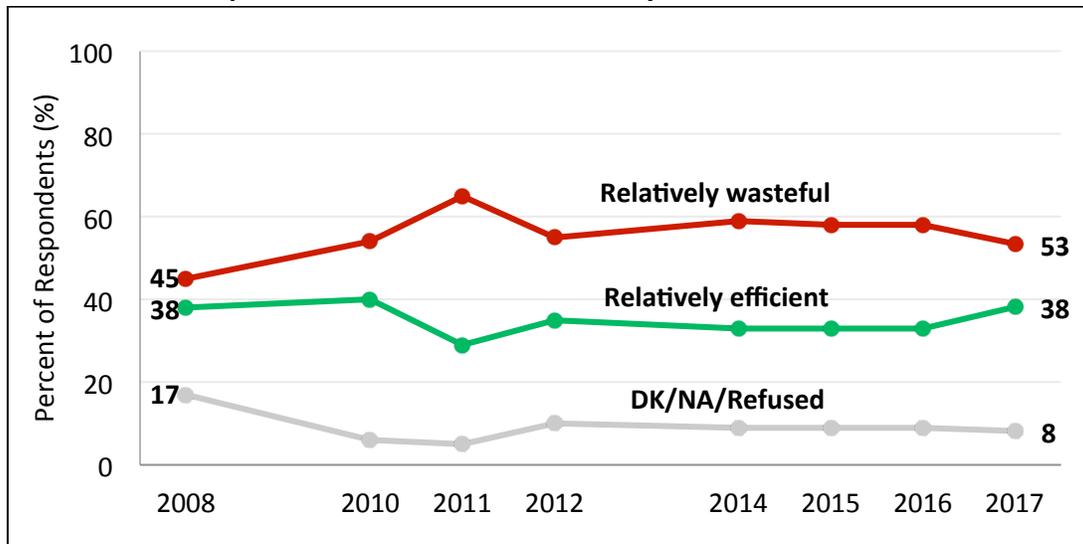
2017 USF-Nielsen Sunshine State Survey

**Fewer (but still narrow majority) judge State spending to be “wasteful” rather than “efficient”**

When asked whether the State government spends tax revenue in a “relatively efficient” or “relatively wasteful” manner, a narrow majority (53%) says “relatively wasteful.” This compares to 38% who see it spent in a “relatively efficient” manner and 8% who expressed no opinion. However, **the share judging the State’s spending to be “relatively wasteful” dropped from 58% in 2016 to 53% in 2017.**

Most critical of State government’s “relatively wasteful” spending of tax dollars are African Americans (62%), unemployed persons (63%), college graduates (59%), and residents of Miami/Fort Lauderdale area (61%). The common thread tying these demographic groups together may be a perception that the State’s spending priorities are not as targeted to those most in need as they should be.

### Increase in the share of Floridians saying they think the State government spends tax revenue in a relatively efficient manner



Question wording: "In terms of providing public services, do you feel the Florida State government spends tax revenue in a relatively efficient manner, or does it spend tax revenue in a relatively wasteful manner?"

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error  $\pm$  2.8%.

2017 USF-Nielsen Sunshine State Survey

### Majority still favors offering businesses incentives, but support is slipping.

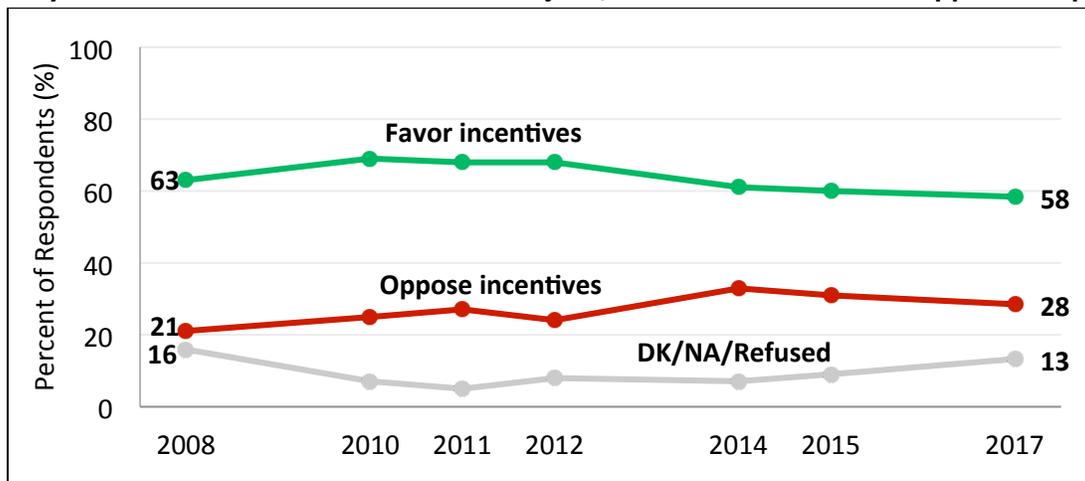
The effectiveness of offering tax incentives to businesses to relocate or stay put as a means of creating/saving jobs and generating more taxes has long been debated by economists.<sup>4</sup> Opponents characterize such incentives as a form of corporate welfare. To assess how Floridians feel about this economic decision, annual Sunshine State Surveys have asked respondents this question: "Some people favor offering incentives to businesses to encourage them to expand or re-locate to Florida thereby creating more jobs and tax revenue. Others oppose such incentives and see them as a form of corporate welfare. Which view comes closest to your own opinion?"

<sup>4</sup> See, for example, Joe Mahon, "Are Economic Development Incentives Doing Their JOBZ?" Federal Reserve Bank of Minneapolis, October 1, 2010. <https://www.minneapolisfed.org/publications/fedgazette/are-economic-development-incentives-doing-their-jobz>, accessed November 21, 2017; Institute on Taxation and Economic Policy, "Tax Incentives: Costly for States, Drag on the Nation," August 14, 2013. <https://itep.org/tax-incentives-costly-for-states-drag-on-the-nation/>;

Results of the 2017 survey show a **majority of Floridians (58%) still favors business incentives** as a way to create more jobs and tax revenue; 28% see them as corporate welfare and 13% have no opinion. **Significantly, the share favoring business incentives has slipped from a high of 69% in 2010, to 58% in 2017.** Over the same period, the share with no opinion has also increased from 7% to 13%.

The greatest support for incentives comes from whites (61%), Hispanics (61%), persons ages 55 to 64 (67%), and those with the highest household incomes (63%)—those more likely to have knowledge of or benefitted from such policies. The highest levels of “no opinion” responses come from African Americans (21%), the youngest and oldest age cohorts—18- to 34-year-olds (20%) and 80 and older (23%). The latter groups are less likely to be as aware of how incentives actually work and less interested in the intense debate over their use.

**Majority favors business incentives to create jobs, raise tax revenue but support is slipping.**



Question wording: “Some people favor offering incentives to businesses to encourage them to expand or re-locate to Florida thereby creating more jobs and tax revenue. Others oppose such incentives and see them as a form of corporate welfare. Which view comes closest to your own opinion?”

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error ± 2.8%.

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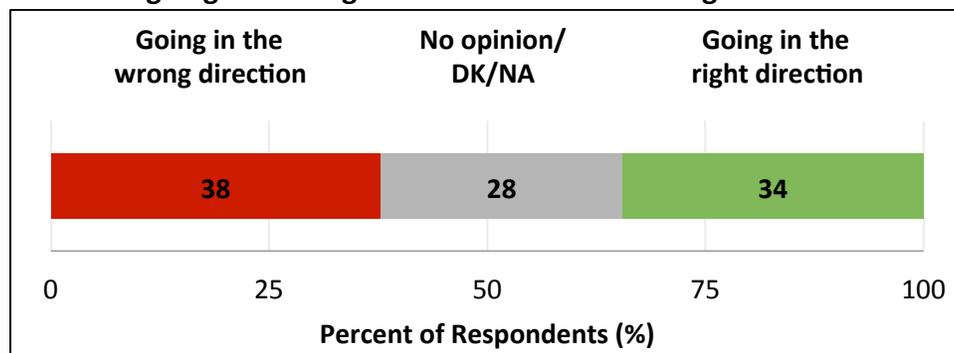
**A big debate in Tallahassee but divided public opinions on using State funds to promote Florida tourism. NEW QUESTION**

The debate over whether to cut back on State spending to promote Florida tourism has been a bitter one. **When asked whether reducing the amount of State money used to promote Florida tourism would be going in the “right direction” or the “wrong direction,” Floridians are sharply divided: a slightly higher share says “wrong direction” (38%), while 34% say the opposite (“right direction”) and another 28% has no opinion.**

Most in favor of cutting back State tourism-promotion spending (“right direction”) are Hispanics (43%) and those with a youngster in school (43%). These individuals’ economic circumstances likely help explain their preference to have the money spent elsewhere.

Those most against cutting back tourism-related State spending (“wrong direction”) are men (41%), full-time workers (42%), those voluntarily not in the work force (41%), persons with a household income of \$75,000 or more (42%), and college graduates (41%)—all more likely to be familiar with the size and economic impact of the state’s tourism sector.

**Floridians split over whether reducing State money spent promoting Florida tourism is going in the “right direction” or the “wrong direction”**



Question wording: “There are lots of issues facing Florida today. If the State of Florida were to reduce the amount of State money used to promote Florida tourism, would you say that was going in the right direction or the wrong direction, or do you have no opinion about it?”

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error  $\pm$  2.8%.

2017 USF-Nielsen Sunshine State Survey

**Majority still gives State bad marks for management of State’s finances; sees improvement.**

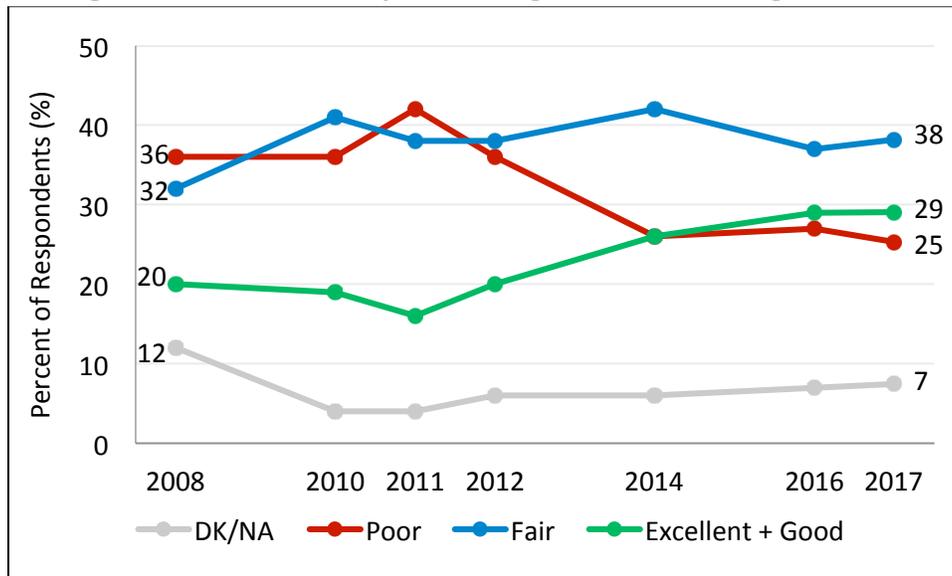
Fully 63% of the Sunshine State Survey respondents give State government negative ratings for managing the State’s finances—either “fair” (38%) or “poor” (25%), while just 29% give it credit for doing a “good” (25%) or “excellent” (4%) job. ***There has been, however, a significant 17-percentage-point drop in the share saying the State government does a “poor” job—from 42% in 2011 to 25% in 2017***, although most of this improvement occurred between 2011 and 2014.

Most likely to rate the State negatively (“poor” or “fair”) for its management of State finances are women (66%), Floridians ages 18 to 34 (66%), African Americans (75%), unemployed workers (66%), those with a household income of at least \$35,000 but less than \$75,000 (66%),

and residents of the Miami/Fort Lauderdale (67%) area. These individuals are more likely to be struggling economically and to see the State as less-than-helpful.

Men are more likely than women to say the State government does a “good” or “excellent” job of managing State finances (34% vs. 25%). So, too, are older Floridians—ages 55 to 64 (36%) or 80 and older (41%), whites (34%), those not in the work force (37%), and residents of Tampa Bay (34%), and North Florida (35%). Higher shares of these demographics are less economically stressed than those rating the State’s financial management more negatively.

**Since 2011, significant decrease in “poor” ratings of State’s management of its finances**



Question wording: “How good a job does the state do managing the state’s finances? Would you say excellent, good, fair or poor?”

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error ± 2.8%.

2017 USF-Nielsen Sunshine State Survey

**Strong support for automatic voter registration of Floridians turning 18; broadening citizen input NEW QUESTION**

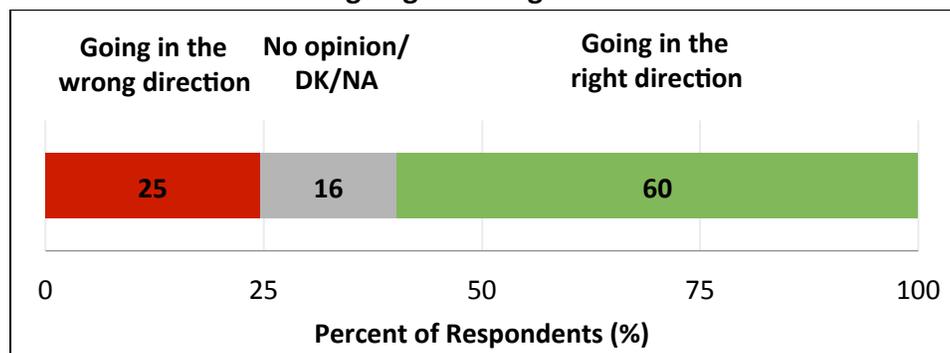
**Six in 10 Floridians (60%) say automatically registering residents to vote when they turn 18 years of age is going in the “right direction,” 25% view it as a step in the “wrong direction,” while 16% do not have an opinion. (Ten states currently have automatic voter registration.<sup>5</sup>)**

<sup>5</sup> The 10 states are: Oregon, California, West Virginia, Vermont, Connecticut, Alaska, Colorado, Rhode Island, and Illinois. In 2017, bills proposing automatic voter registration have been introduced in 32 states and in Congress. See Brennan Center for Justice at New York University School of Law, “Automatic Voter Registration,” August 28, 2017; <https://www.brennancenter.org/analysis/automatic-voter-registration>; accessed November 21, 2017.

Support for State adoption of an automatic voter registration policy (“right direction”) is strongest among African Americans (81%), younger Floridians ages 18 to 34 (66%), part-time workers (66%), those not in the work force (65%), and persons with household incomes of less than \$35,000 (65%) and \$75,000 or more (62%). Regionally, residents of Palm Beach (69%), North Florida (65%), and Miami/Fort Lauderdale (65%) are the most in favor of automatic voter registration at age 18.

The highest levels of opposition come from 55- to 64-year-olds (34%), whites (30%), and residents of the Tampa Bay area (31%), although majorities of all of these groups agree that if Florida were to approve automatic voter registration, it would be going in the “right direction.”

### Six in 10 Floridians say automatically registering residents to vote when they turn 18 is going in the right direction



Question wording: “There are lots of issues facing Florida today. If the State of Florida were to automatically register Florida residents to vote when they turn 18 years of age, would you say that was going in the right direction or the wrong direction, or do you have no opinion about it?”

Note: Figures may not add to 100% due to rounding.

Source: Telephone survey of a random sample of 1,215 Floridians ages 18 and older conducted July 24-August 14, 2017. Margin of error  $\pm$  2.8%.

2017 USF-Nielsen Sunshine State Survey

### Additional Related Questions (Go to “Detailed Analysis” for more in-depth discussion)

**Local Taxes-to-Services-Received Ratio:** “about right” (56%); “too high” (35%)—either “a little too high” (23%) or “much too high” (12%); “too low (7%)— either “a little too low” (6%) or “much too low” (1%). Since 2012, the share saying their local taxes are “about right” relative to the local services they receive increased from 47% to 56%. Regionally “about right” responses are highest in Palm Beach (62%), North Florida (61%), and Tampa Bay (59%); “too high” responses are highest in Miami/Fort Lauderdale (42%), Orlando (39%) and Naples (38%) areas.

**Efficiency of County Government Spending of Tax Revenue:** spent in a “relatively efficient manner (48%), in a “relatively wasteful manner” (45%); “no opinion (7%). Since 2012, Floridians have consistently been divided over the efficiency of their county government’s spending.

Regionally, “relatively efficiently” marks highest in North Florida (55%) and Palm Beach (54%); “relatively wasteful” ratings highest in Miami/Fort Lauderdale (53%) and Orlando (48%).

### **“Let’s catch up” pattern emerges amid slight improvement**

Money—taxes and spending—will shape debate in the upcoming legislative session, and policy makers can get insights into constituents’ views on the subject in the findings of the 2017 Sunshine State Survey. On the tax side, the survey results show a “let’s catch up” pattern. Floridians who support “raising taxes to improve critical services and infrastructure” have increased from 19% in 2015 to 27% in 2017. And those who support cutting taxes and reducing services have fallen to a low of 19%. The tax they perceive as “least fair” is the one on communication services (46%), while the gas tax gets the “least fair” rating by a mere 8% of citizens.

On the spending side, Floridians see some improvement. Those judging State spending as “relatively wasteful” have declined five points over the past year, but a narrow majority (53%) still sees it in a negative light. And although fewer Floridians rate the State’s financial management as “poor,” nearly two-thirds think it could be better.

One bit of positive news is that Floridians increasingly say the taxes-paid-to-services-received ratio is “about right” (from 47% in 2012 to 59% in 2017). A majority (58%) favors offering incentives to businesses to relocate or stay in Florida, but support has slipped from 69% in 2010. And Floridians are divided (38% against vs. 34% for) on spending State funds to promote tourism.

Broadening input might help enlighten money and policy debates. As evidence, 60% of Floridians say the State should make voter registration automatic for those turning 18.

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*Interested parties may view results for all questions and detailed analysis, including questions not analyzed here and significant factors for all related questions, on the survey website:*

<http://www.sunshinestatesurvey.org/results/2017/>

*The USF-Nielsen Sunshine State Survey is a collaborative learning opportunity between the USF College of Arts and Sciences and The Nielsen Company, LLC., that allows USF students to gain valuable experience before graduation. Each of the students below made significant contributions to this year’s Survey. Valuable input into the survey question content and structure came from all students in the upper-level Media and Politics class (Spring 2017).*

#### **Student analytic team**

*Ella Biggins*

*Neil Dalson*

*Nathaniel Sweet*

*Aida Vazquez-Soto*

#### **Student infographics team**

*Amy Benner*

*Georgia Pevy*

**—END—**