

To: Maryland Rise

**From: Steve Raabe, President
OpinionWorks LLC**

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Subject: Maryland Poll Findings: Public Attitudes on State Revenue Measures

Maryland Rise commissioned this statewide poll of Maryland registered voters to assess public opinion on issues of tax fairness and voter support for revenue-raising measures.

These findings are based on our most recent statewide poll of 1,011 registered voters, conducted both online and by telephone, December 11-26, 2020. The poll has a potential margin of sampling error of $\pm 3.1\%$ at the 95% confidence level.

Summary of Findings

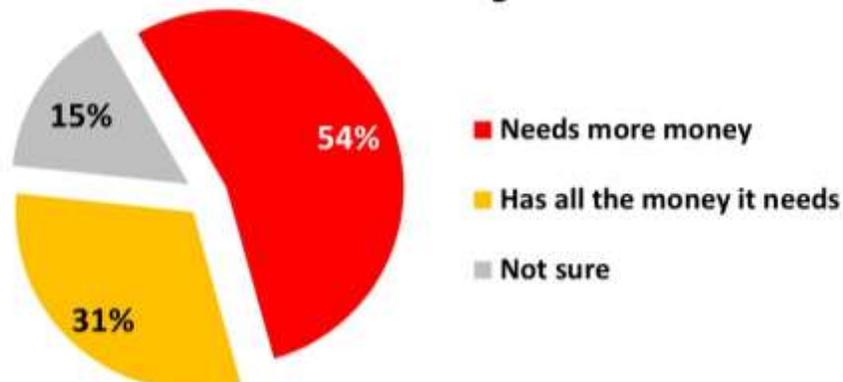
This new statewide poll identifies deep public anxiety about COVID-19 and widespread economic worry, resulting in a strong desire for the State to do more to address these urgent problems, as well as voters' longstanding public policy priorities. The poll identifies a widely shared realization on the part of voters that the State lacks sufficient resources to deliver important services to taxpayers on these essential priorities.

This is a unique moment in time, when pressing crises are intersecting with long-held priorities to produce the public will to find new revenue to address these needs. Voters also express a deep sense of unfairness about the current tax system, believing that wealthy Marylanders and large corporations shoulder less than their fair share of the tax burden. The result is an electorate uniquely focused and galvanized to support revenue measures that they believe will both increase tax fairness and raise needed revenue to fund the State budget. Detail follows.

A Solid Majority Believe the State Needs More Revenue to Provide Essential Services

A majority of voters statewide (54%) believe the State of Maryland "needs more money," while fewer than a third (31%) believe the State has "all the money it needs to deliver the important services that people need and expect."

Maryland Needs More Money for Essential Services



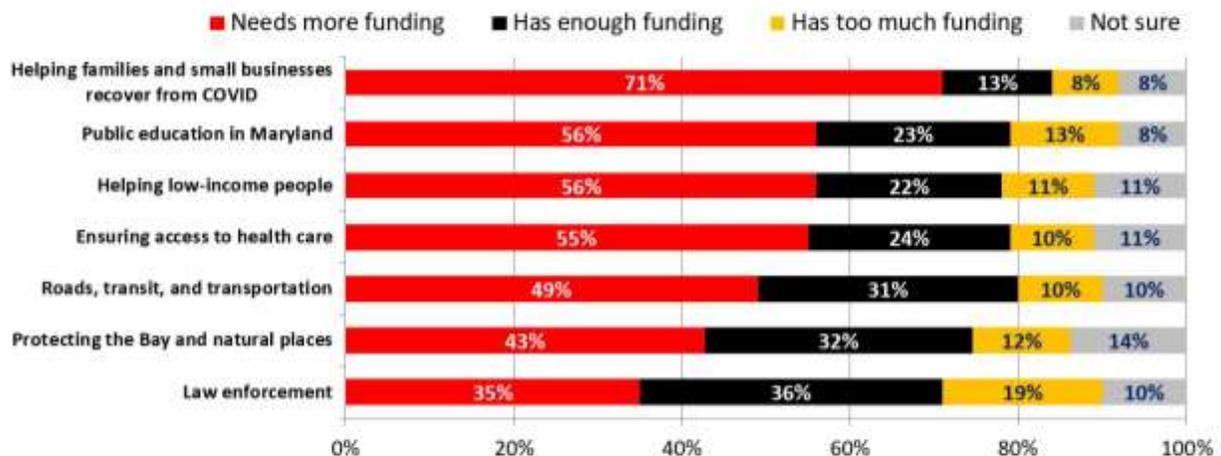
Overall, do you believe the State of Maryland (rotate): [has all the money it needs (or) needs more money] to deliver the important services that people need and expect?

COVID and Economic Uncertainty are Animating Voters, Creating Urgency and a Mandate to Act

Voters identified four priorities within the State budget where they strongly believe more funding is needed. An overwhelming number (71%) believe that “helping families and small businesses recover from COVID” needs more funding by the State. Large majorities also believe that public education, helping low-income people, and access to health care need more funding, as illustrated below.

While the margins are smaller, pluralities of voters also believe that roads, transit, and transportation, and protecting the Bay and natural places, also need more state funding.

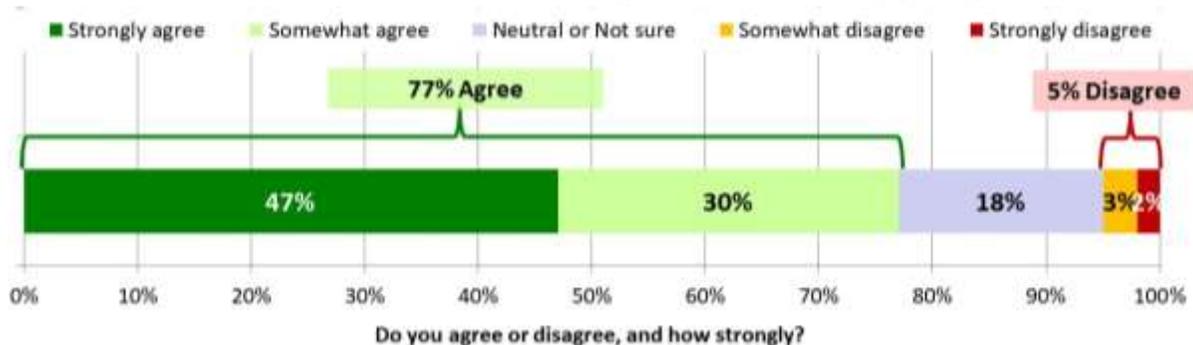
Funding for State Budget Priorities



Following are some programs and services that are supported by state taxes. For each one, please say if you believe it probably (randomize): [needs more funding, has too much finding, (or) has enough funding].

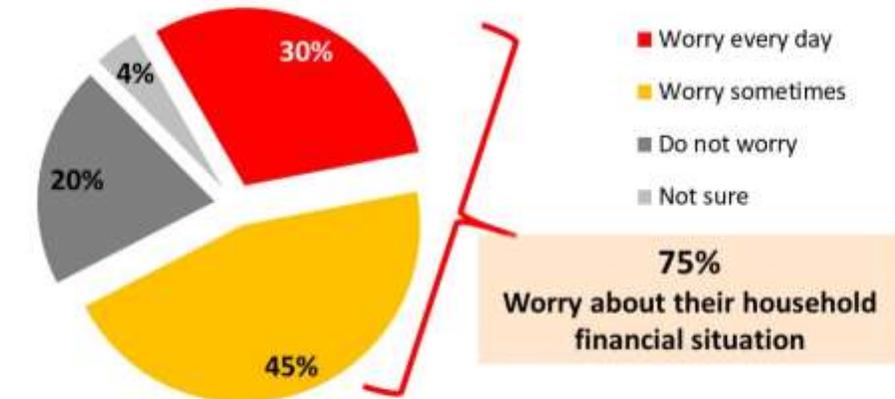
In a separate question, more than three-quarters of voters statewide (77%) agreed with the statement, “In this uncertain time of economic stress and pandemic, the state should be doing more to help people.” A near-majority of 47% agreed with this statement *strongly*. In multiple ways in this poll, voters signaled that they want the State to act to help people in these uncertain times.

In this uncertain time of economic stress and pandemic, the state should be doing more to help people.



As a point of context, it is also important to know the significant financial stress that households across Maryland are under in these times. Three-quarters of voters (75%) said they worry about their household's financial situation, and 30% of Maryland voters said they worry about money *every day*. Such a high level of anxiety motivates voters. And when worry is so widespread, voters are likely to know other people close to them who are experiencing economic stress, even if they are not experiencing such difficulty themselves.

Level of Worry about Household Finances

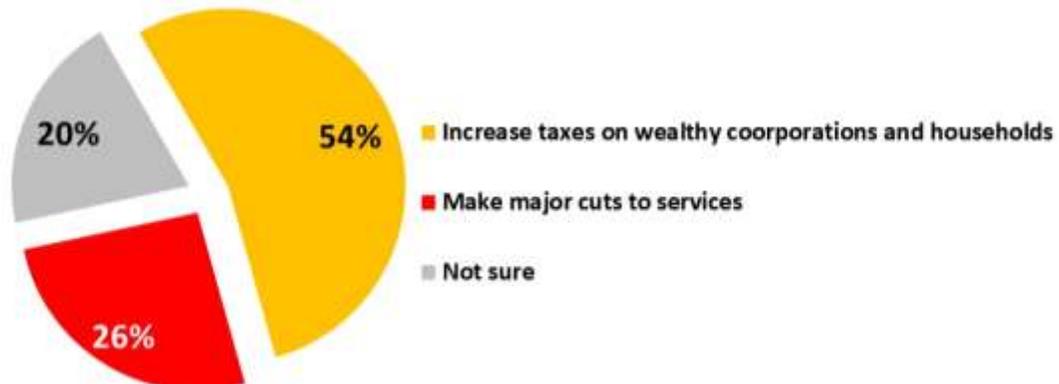


As you look at your own household's financial situation today, would you say money is something you worry about or not? If you do worry, do you worry about it every day or only sometimes?

A Preference for Increasing Taxes over Cutting Services

Faced with the prospect that the COVID pandemic could impact the economy and state revenues for a long time, a two-to-one majority of voters would prefer to increase taxes on wealthy corporations and households rather than make major cuts in state programs that provide food aid, health care, public education, and other services.

Increase Taxes or Cut Services

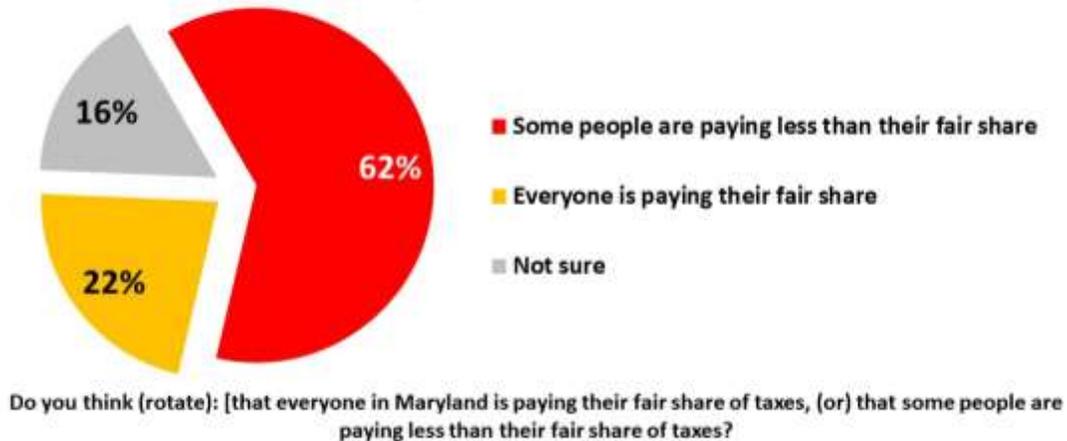


Many experts believe the COVID pandemic will impact the economy for a long time, making Maryland unable to pay for programs that provide food aid, health care, public education, and other services. To deal with this problem, should elected officials in Maryland (rotate): [increase taxes on wealthy corporations and households to continue funding these services (or) make major cuts to these services]?

An Underlying Sense of Unfairness about the Tax System in Maryland

Asked about the fundamental fairness of Maryland’s tax system, fewer than one-quarter of voters (22%) feel that everyone in Maryland is paying their fair share of taxes. More than six out of ten voters (62%) asserted that “some people are paying less than their fair share of taxes.” The remainder were not sure.

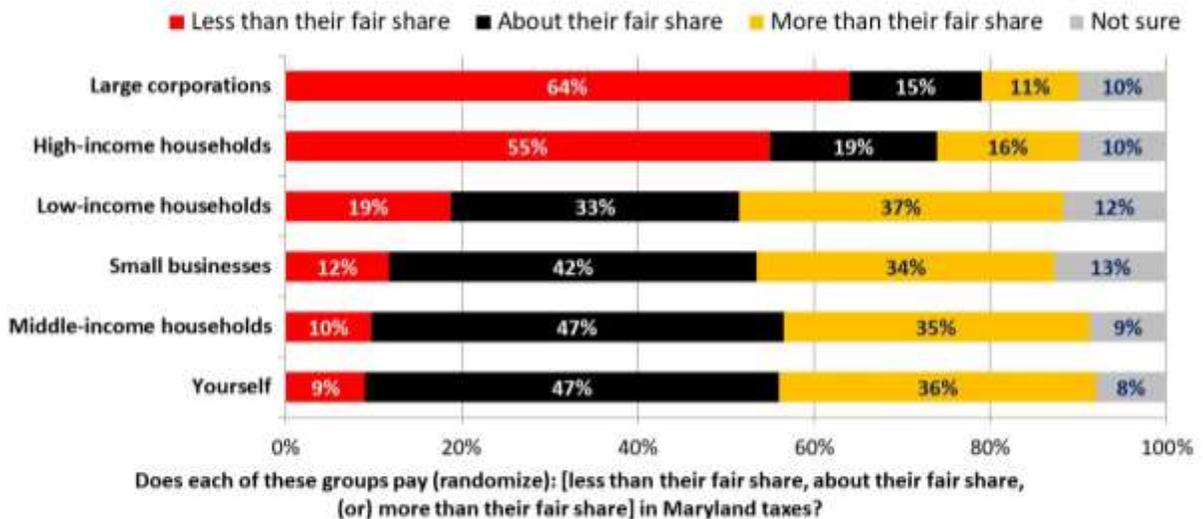
Are People Paying Their Fair Share of Taxes?



Voters are clear that there are two groups of taxpayers – high-income households and large corporations – that are paying less than their fair share in Maryland taxes. A 55% majority of voters believe high-income households are paying less than their fair share, and 64% of voters feel that way about large corporations.

Perceptions are very different for low-income and middle-income households and small businesses in Maryland. More than half of voters (56%) believe *they* are paying about their fair share or less than their fair share of taxes. Slightly over a third (36%) believe they are paying more than their fair share.

What Groups Pay a Fair Share in Taxes?

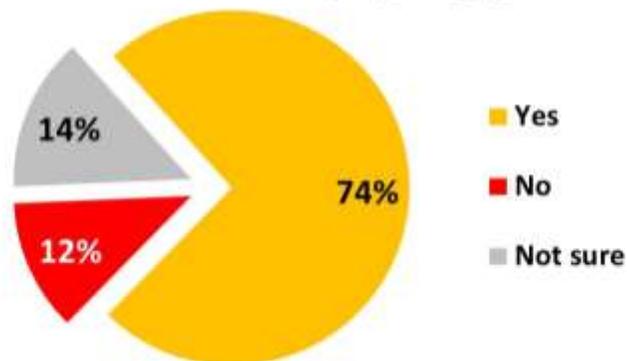


A Better Sense of Tax Fairness Would Make Voters More Willing to Pay Their Own Taxes

The percentage of voters is overwhelming who would feel better about paying their own taxes if they felt the tax system in Maryland was fairer. Almost three-quarters of voters (74%) feel that way.

Twelve percent said they would not feel better about paying their own taxes if the system was fairer, and 14% of voters were not sure.

If the tax system in Maryland was fairer, would you feel better about paying your own taxes?



Strong Support – Sometimes Overwhelming Support – for Measures That Would Improve Tax Fairness

The poll outlines several factors that have come together in this unique political moment, creating significant energy in the electorate to improve tax fairness and generate more revenue:

1. The debilitating impact of the COVID-19 pandemic, the uncertain economy, and the widespread feeling that the State needs to do more to help people.
2. The realization in the electorate that the State needs more revenue to provide essential services.
3. The widely-shared sense that the current tax system allows wealthier households and large corporations to escape shouldering their fair share of taxes.
4. The conviction that people would feel better about paying their own taxes if they felt that others were paying their fair share, too.

These factors combine to produce broad voter support for an array of measures that are aimed at making the tax system fairer, while raising the money needed for essential services. Those support numbers are detailed on the next page. Support surpasses a majority for all of these measures, and reaches nearly 80% for two corporate tax reforms.

Level of Voter Support for Possible Tax Measures

	Strongly Favor	Somewhat Favor	Total Favor	Neutral/ Not sure	Somewhat Oppose	Strongly Oppose	Total Oppose
End corporate tax loopholes, which are creative ways corporations avoid paying taxes that others have to pay.	55%	24%	79%	15%	4%	2%	6%
Make large, multi-state corporations pay their share in taxes for profits generated in Maryland.	52%	25%	78%	18%	3%	2%	4%
Raise the income tax rate for people earning more than \$1 million per year from 5.75% to 7%.	48%	25%	73%	17%	5%	4%	10%
Reduce the income tax rate for households earning less than \$80,000, raise it for those earning over \$250,000, and keep those in the middle unchanged.	42%	30%	72%	18%	5%	4%	9%
Abolish the so-called “carried interest exclusion,” so that professional money managers have to pay the same tax rate as regular income-earners.	42%	28%	70%	24%	4%	2%	6%
Levy a tax on internet advertisements that target Maryland residents and collect their data for marketing purposes	41%	27%	68%	21%	6%	5%	10%
End business tax credit programs that have been shown to be ineffective in achieving their goals of job creation or business development.	36%	32%	68%	25%	5%	2%	7%
Reduce the income tax rate for low-earning Marylanders, while raising it for high-earning Marylanders.	39%	28%	67%	21%	6%	6%	12%
Legalize cannabis and levy a tax on cannabis sales.	37%	27%	65%	19%	6%	10%	16%
Place a carbon fee on all greenhouse gases produced in Maryland.	26%	28%	55%	29%	8%	8%	17%
Exempt from tax the first \$1 million of an estate, rather than the first \$5 million.	29%	25%	54%	30%	8%	9%	17%

Here are some ways state legislators are thinking about making the tax system fairer, while raising the money needed for essential services. For each one, say if you would favor or oppose it, and how strongly.

Maryland Poll Findings: Public Attitudes on State Revenue Measures

January 7, 2021

Page 7

In summary, this poll identifies not just support for action to improve tax fairness and raise revenue, but a true sense of *urgency* among voters to get that job done. The twin factors of the pandemic and economic stress have created a formula for action, and the voters are expressing a strong sense that they want to see it get done.

How This Poll was Conducted

A total of 1,011 interviews were conducted statewide December 11-26, 2020 among randomly selected Maryland registered voters. A cross-section of Marylander registered voters were surveyed online, and live telephone interviewers reached additional voters on both wireless and landline telephones, to ensure the poll best represented all segments of the electorate. Sampling targets were adhered to throughout the interviewing process to ensure that the sample represented the statewide electorate geographically, by political party, and for key demographic indicators such as gender, age, and race or ethnicity. Following interviewing, statistical weights were applied to ensure the sample most closely mirrored the characteristics of the statewide electorate. This poll produces a margin of sampling error no greater than $\pm 3.1\%$ at the 95% confidence level, meaning that at least 19 times out of 20 the actual results would differ by no more than that margin if every registered voter in the state had been interviewed.

Brief Background on OpinionWorks

OpinionWorks conducts frequent opinion studies at the state and local level across the country. Since 2007 we have been the polling organization for *The Baltimore Sun* newspaper in Maryland and have polled for numerous other media and advocates throughout the Mid-Atlantic region. We are engaged by state and local government agencies from Delaware to Oregon to assess public needs and preferences. We measure health attitudes and practices for public health departments and advocates, assess alumni engagement and prospective student expectations for colleges and universities, evaluate donor and volunteer relationships for non-profit organizations, and study human decision-making to inform behavior change efforts on environmental and health questions.