

HB

105

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

January 31, 1979

Date: _____

Mr. Speaker:

The Committee on JUDICIARY has had HB 105

"An Act authorizing recovery of expenses from the state on hearing or appeal of disputed tax payments; and changing Rules 79 and 82 of the Alaska Rules of Civil Procedure."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 105 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

[Signature]

[Signature]

Robert D. Anderson Jr.

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Tatiana O'Connell R. No Rec.

[Signature] No Rec

[Signature]

CHAIRMAN

HR 105 -

limit pay-out
to amt. appropriated
or can come
back for exps?

they're just
messing!!

2320

- 1) raise fiscal note?
to take care of
Gary's question -
- 2) What's I.R. code
Sec. 212. ?



Official Business

Alaska State Legislature

House of Representatives

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1979

TO: Jack Chenoweth
FROM: Rocky Plotnick *Rocky*
SUBJECT: Draft Committee Substitute for HB 105

Please incorporate the following in a Draft Committee Substitute for HB 105:

- 1) delete Sec. 2. of the bill - the committee has decided not to alter any Rules of the Court
- 2) include a \$10,000. ceiling for the amount disputed - this way large companies won't take advantage of it
- 3) the hearing officer determines who is prevailing and what percentage of the disputed amount is granted and then determines how much of the expenses are covered in relation to the amount recovered
- 4) the hearing level this bill addresses is the informal and formal administrative hearing
- 5) clarification is needed as to which expenses are valid - "expenses of preparing and presenting arguments and evidence " should include attorney and accountant fees, duplication, phone calls, and they should be reasonable - for example, a hot shot tax attorney's first class air fare from New York City isn't too reasonable

Please remember this is a draft committee substitute. Until we incorporate the above changes the Dept. of Revenue can't do a fiscal note so please expedite this request.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing recovery of expenses from the state on hearing of disputed tax payments."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 43.05.240 is amended by adding a new subsection to read:

(e) A taxpayer may recover from the department the expenses of preparing and presenting arguments and evidence at a hearing under (a)-(c) of this section if the disputed tax liability does not exceed \$10,000 and if the taxpayer ultimately prevails on the question of tax liability. The taxpayer who ultimately prevails on a question of tax liability shall present a statement of those expenses to the hearing officer who shall promptly determine the expenses to be allowed up to a maximum of \$5,000. As used in this section, reasonable expenses shall include professional fees and incidental costs incurred in preparing and presenting arguments and evidence relative to the tax or penalty in dispute, travel expenses incurred in attending a hearing under this section, and the loss of wages by a taxpayer for the time that he is required to be in attendance of a hearing. Recovery of a portion of expenses under this subsection shall be generally proportional to the percentage of his recovery under the disputed liability.

① ——— cannot use expenses as (reimbursed)
② & who prevails ——— a deduction

of expenses under this subsection shall be generally proportional to the percentage of issues on which the taxpayer prevails. A taxpayer receiving expenses under this provision shall not subsequently deduct the expenses thus recovered as provided in Internal Revenue Code sec. 212.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for House Bill No. 105
 Title An Act authorizing recovery of expenses from the State on hearing of
 Requested by Judiciary Committee ~~Disputed tax payment.~~
 Date: 2/27/79

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected _____ Audit Division _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		62.5	62.5	62.5	62.5	62.5
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		62.5	62.5	62.5	62.5	62.5

FUNDING (Thousands of Dollars)

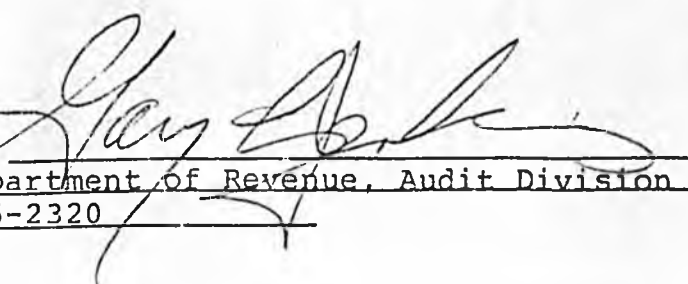
GENERAL FUND		62.5	62.5	62.5	62.5	62.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memto to John R. Messenger dated 2/27/79.

IV. DATE 2/27/79 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Part VII—Additional Itemized Deductions for Individuals

- Sec. 211. Allowance of deductions.
 Sec. 212. Expenses for production of income.
 Sec. 213. Medical, dental, etc., expenses.
 Sec. 214. Repealed.
 Sec. 215. Alimony, etc., payments.
 Sec. 216. Deduction of taxes, interest, and business depreciation by cooperative housing corporation tenant-stockholder.
 Sec. 217. Moving expenses.
 Sec. 218. Contributions to candidates for public office.
 Sec. 219. Retirement savings.
 Sec. 220. Retirement savings for certain married individuals.
 Sec. 221. Cross references.

SEC. 211. ALLOWANCE OF DEDUCTIONS.

In computing taxable income under section 63, there shall be allowed as deductions the items specified in this part, subject to the exceptions provided in part IX (section 261 and following, relating to items not deductible).

Last amendment.—Sec. 211 appears above as amended by Sec. 102(b)(3) of Public Law 95-30, May 23, 1977, effective (Sec. 106(a) of P.L. 95-30) for taxable years beginning after Dec. 31, 1976. Sec. 211 as it read before this amendment is in P-H Cumulative Changes.

SEC. 212. EXPENSES FOR PRODUCTION OF INCOME.

In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year—

- (1) for the production or collection of income;
- (2) for the management, conservation, or maintenance of property held for the production of income; or
- (3) in connection with the determination, collection, or refund of any tax.

Implied amendment of Sec. 212 was made by Sec. 208(c) of Public Law 94-12, Mar. 29, 1975.

SEC. 213. MEDICAL, DENTAL, ETC., EXPENSES.

(a) Allowance of Deduction.—There shall be allowed as a deduction the following amounts, not compensated for by insurance or otherwise—

- (1) the amount by which the amount of the expenses paid during the taxable year (reduced by any amount deductible under paragraph (2)) for medical care of the taxpayer, his spouse, and dependents (as defined in section 152) exceeds 3 percent of the adjusted gross income, and
- (2) an amount (not in excess of \$150) equal to one-half of the expenses paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.

Last amendment.—Sec. 213(a) appears above as amended by Sec. 106(a) of Public Law 89-97, July 30, 1966, effective (Sec. 106(e) of P.L. 89-97) for taxable years beginning after Dec. 31, 1966. Sec. 213(a) as so amended is in P-H Cumulative Changes.

Prior amendment.—Sec. 213(a) was previously amended by Sec. 3(a) of Public Law 86-470, May 14, 1960, effective (Sec. 3(b) of P.L. 86-470) for taxable years beginning after Dec. 31, 1959. Sec. 213(a) as so amended is in P-H Cumulative Changes.

(b) Limitation with Respect to Medicine and Drugs.—Amounts paid during the taxable year for medicine and drugs which (but for this subsection) would be taken into account in computing the deduction under subsection (a) shall be taken into account only to the extent that the aggregate of such amounts exceeds 1 percent of the adjusted gross income.

Last amendment.—Sec. 213(b) appears above as amended by Sec. 106(b) of Public Law 89-97, July 30, 1966, effective (Sec. 106(e) of P.L. 89-97) for taxable years beginning after Dec. 31, 1966. Sec. 213(b) as so amended is in P-H Cumulative Changes.

Prior amendment.—Sec. 213(b) was previously amended by Sec. 211(a) of Public Law 88-272, Feb. 28, 1964, effective (Sec. 211(h) of P.L. 88-272) for taxable years beginning after Dec. 31, 1963. Sec. 213(b) as so amended is in P-H Cumulative Changes.

Rule 79. Costs—Taxation and Review.

(a) **Cost Bill—Notice—Waiver.** Within 10 days after the entry of judgment, a party entitled to costs shall serve on each of the other parties to the action or proceeding a cost bill, together with a notice when application will be made to the clerk to tax costs. The cost bill shall distinctly set forth each item claimed in order that the nature of the charge can be readily understood. It shall be verified by the oath of the party, of his agent or attorney or of the clerk of such attorney, stating that the items are correct, that the services have been actually and necessarily performed, and that the disbursements have been necessarily incurred in the action or proceeding. The notice shall specify the date and hour at which application for the taxing of such costs will be made to the clerk, which date shall be not less than 3 nor more than 7 days from the date of the notice. Failure of a party to serve a cost bill and notice as required by this subdivision shall be construed as a waiver of his right to recover costs.

(b) **Items Allowed as Costs.** A party entitled to costs may be allowed premiums paid on and expenses of posting, undertakings, bonds or security stipulations, where the same have been furnished by reason of express requirement of law or on order of the court; the necessary expense of taking depositions for use at trial and producing exhibits; the expense of service and publication of summons or notices, and postage when the same are served by mail; filing fees and other charges made by the clerk of the court and fees for transcripts required in the trial of a case in the superior court. In addition to the items allowed as costs by law and in these rules, a party shall be allowed any other expenses necessarily incurred in order to enable a party to secure some right accorded him in the action or proceeding.

(c) **Taxing of Costs by Clerk.**

(1) At the time specified in the notice, any party may present his objections to the cost bill, either orally or in writing. He shall specify each item to which objection is made and the ground of the objection. The parties may file affidavits or

other documentary evidence to support their respective positions.

(2) The clerk shall thereupon proceed to tax the costs, and shall allow the items specified in the cost bill which are proper. Within 2 days after the costs have been taxed, the clerk shall insert the amount of the same in a blank space left in the judgment or order for that purpose, and shall make a similar insertion in the copies and docket of the judgment or order. The taxing of costs by the clerk shall be final, unless modified on review as provided in this rule.

(d) **Review by Court.** The action of the clerk in taxing costs may be reviewed by the court at the instance of any party upon motion and notice served not later than five days after the costs have been taxed by the clerk. When notice is served, the motion shall particularly designate each ruling of the clerk to which objection is made. Matters not so designated will not be considered by the court. The motion will be heard upon the same papers, affidavits and other documentary evidence used before the clerk, and upon such memoranda as the court may require. The court shall promptly rule on the motion. (Amended by Supreme Court Order 258 effective November 15, 1976)

(a) **CROSS REFERENCE:** Civ. Form 156

Rule 82. Attorney's Fees.**(a) Allowance to Prevailing Party as Costs.**

(1) Unless the court, in its discretion, otherwise directs, the following schedule of attorney's fees will be adhered to in fixing such fees for the party recovering any money judgment therein, as part of the costs of the action allowed by law:

ATTORNEY'S FEES IN AVERAGE CASES

		<i>Contested</i>	<i>Without Trial</i>	<i>Non-Contested</i>
First	\$2,000	25%	20%	15%
Next	\$3,000	20%	15%	12.5%
Next	\$5,000	15%	12.5%	10%
Over	\$10,000	10%	7.5%	5%

Should no recovery be had, attorney's fees for the prevailing party may be fixed by the court as a part of the costs of the action, in its discretion, in a reasonable amount.

(2) In actions where the money judgment is not an accurate criteria for determining the fee to be allowed to the prevailing side, the court shall award a fee commensurate with the amount and value of legal services rendered.

(3) The allowance of attorney's fees by the court in conformance with the foregoing schedule is not to be construed as fixing the fees between attorney and client.

(b) Allowance in Mental Cases. In proceedings under the Mental Health Act, the attorney appointed to represent the patient shall be allowed and paid a fee of \$25.00, unless the judge, in his discretion, orders otherwise. A lay advisor appointed in such proceedings shall be allowed and paid a fee of \$10.00, unless the judge, in his discretion, orders otherwise.

MEMORANDUM

TO: John R. Messenger
Acting Commissioner
Department of Revenue

DATE: February 27, 1979

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: CS HB 105

This bill would provide for the reimbursement of expenses incurred by a taxpayer in preparing for a hearing of a tax matter. The prerequisite to receive reimbursement of expenses under this proposed legislation is that the tax liability does not exceed \$10,000 and that the taxpayer must prevail at the hearing.

The bill does not identify clearly what allowable costs might be. In addition to professional fees, would it also include such things as loss of wages by the taxpayer so that he could be present at the hearing or prepare for the hearing, and would it include transportation costs for the taxpayer and his representatives to and from the place of the hearing? For purposes of this Fiscal Note, I have assumed that it would include professional fees, travel expenses, and loss of wages of the taxpayer.

Based on our current level of appeals to informal conference or hearing, it is anticipated that there would be approximately 25 hearings annually to which this provision could apply. At an estimated average cost of \$2,500 per claim, the total potential cost could be \$62,500. Some claims might be much more than \$2,500 and some less but we believe this is a reasonable guess as to the average amount. If the number of hearings increased in the future, then the amount of expenses would increase also in a proportional amount.

I would like to propose some specific language to the draft CS HB 105 which I believe would help clarify the bill. First, I think it would be helpful to specify the kinds of reasonable expenses to be allowed. Language might be included as follows: "Reasonable expenses shall include professional fees incurred in preparing and presenting arguments and evidence relative to the tax or penalty in dispute, travel expenses incurred in attending a hearing under this section, and the loss of wages by a taxpayer for the time that he is required to be in attendance of a hearing under this section".

Secondly, I believe that some provision should be made for paying the expenses of a taxpayer at the administrative level if he loses at a department hearing but ultimately wins in court. To take care of this situation, I would suggest that the first sentence of the bill should read, "A taxpayer may recover from

the department the expenses of preparing and presenting arguments and evidence relative to a tax penalty in dispute, the disputed liability does not exceed \$10,000 and if the taxpayer ultimately prevails on the question of tax liability".

Finally, rather than limiting professional fees to those persons licensed under AS 08, I believe it would be more reasonable to set a ceiling on the amount of expenses to be recovered. This could be accomplished by the following language: "The taxpayer shall present a statement of those expenses to the hearing officer who shall promptly determine the expenses to be allowed up to a maximum of \$5,000".

I have included these drafting changes in the attached draft bill.

HB 105
2-6-79

Messenger - limited to cases of hardship
Dept. Rev. put on a dollar limit - or
to individuals (not Oil
companies ^{or} N.S.B., for example).

who should be covered?
what kind of expenses included?
Revenue needs these questions
answered before preparing a fiscal note.

~~Teo~~
~~Feat~~ Spangler -
Dept. Law

I. what level of appeal?
1. admin. hearing
2. Superior Crt.
3. Supreme Crt. ?
4. all 3

II. Prevailing?

III. "actual costs" definition needed
[Civil Rule 79]

IV. Per Diem?

V. Attorney's Fees - what if atty.
on ~~conting~~ contingent fee (%)

VI. Include Review mechanism

Appellant Rule 29 - Superior Court -

House Judiciary Committee Meeting Minutes
Wednesday, February 14, 1979

Chairman CHARLIE PARR opened the meeting with all members present except Representatives Malone and Brown.

Representative RANDOLPH appeared as prime sponsor of HOUSE BILL 105, Recovery of expenses from the state on hearing appeal of disputed tax payments. He stated that the intent of this legislation is to allow a small class of taxpayers to dispute taxes.

Chairman PARR asked Randolph if on line 13, if the state were the prevailing party, should they recover costs from the taxpayer, to which RANDOLPH replied a firm "no".

JOHN MESSENGER from the Department of Revenue offered the following thoughts during his testimony:
There should be a ceiling on the dollar amount of the tax dispute in question and/or a provision limiting who is entitled to recover costs in tax disputes.
Also, the state should recover, just as the taxpayer, if it is the prevailing party.

Following Messenger's testimony and the discussion of who will and who will not benefit, Chairman Parr proposed that Staff work up a Committee Substitute Work Draft including the Court Rule question, Limitations on either people, dollar amount, or both, a definition of "expenses" and the reciprical prevailing answer.

The subject then considered was HOUSE BILL 47 dealing with Alcoholic Beverages. This bill was referred back to Committee. Representative BROWN MOVES a CS to repeal the entire act, explaining that the subject is already sufficiently dealt with in the Criminal Code and Title IV.

There was considerable OBJECTION and MOTION FAILED.

Jan Van Dort 4955

get draft CS HB 105

3837 Jack Chenoweth

employees and employers to the Department of Labor in connection with the administration of the State Employment Security Act to determine if persons receiving assistance from the Department of Health and Social Services under their Adult Public Assistance and Aid to families

with dependent children were eligible. Such data is within the ambit of protection intended to be afforded the right of privacy under § 22, art. I, of the Alaska Constitution. 1972 Op. Att'y Gen., issued under former AS 43.20.190.

Sec. 43.05.240. Taxpayer remedies. (a) A person aggrieved by the action of the department in fixing the amount of a tax or in imposing a penalty may apply to the department within 60 days from the date of mailing the notice required to be given to him by the department, giving notice of the grievance, and requesting an informal conference. At the conference the person aggrieved may present arguments and evidence relevant to the amount of tax or penalty due the state. If the department determines that a correction is warranted, the department shall make the correction.

(b) A person aggrieved by the action of the department in fixing the amount of a tax or in imposing a penalty may apply to the department and request a formal hearing

(1) in place of the informal conference provided for in (a) of this section, within 60 days from the date of mailing the notice required to be given to him by the department; or

(2) within 30 days after decision resulting from an informal conference.

(c) At the formal hearing the department may subpoena witnesses and may administer oaths and make inquiries necessary to determine the amount of the tax or penalty due the state. The person aggrieved may present arguments and evidence relevant to the amount of the tax or penalty due the state. If the department determines that a correction is warranted, the department shall make the correction.

(d) Within 30 days after the formal hearing and decision by the department, a person aggrieved by the decision of the department may appeal to the superior court in the judicial district in which he resides. The taxpayer shall be given access to the file of the department in the matter for preparation of his appeal. If after the appeal is heard it appears that the tax was correct, the court shall confirm the tax. If incorrect, the court shall determine the amount of the tax and if the person aggrieved is entitled to recover the tax or part of it, the court shall order the repayment and the department shall immediately pay the amount due and attach a certified copy of the judgment to the payment. (§ 2 ch 166 SLA 1976)

Collateral estoppel. — If a later proceeding is concerned with a similar or unlike claim relating to a different tax year, a prior judgment acts as a collateral estoppel only as to those matters in the second proceeding which were actually presented and determined in the first suit.

State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964, decided under former AS 43.70.050.

Res Judicata. — If a claim of liability or nonliability relating to a particular tax year is litigated, a judgment on the merits is res judicata as to any subsequent proceeding

involving year. St

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3432 Ted Spengler -

Prevailing? on part?
break down Hearing officer

formal hearing only -

review of expenses

2-22-79

Jack says "prevailing" is when
a person gets more than
what he thought he had coming (?)

Introduced: 1/31/79
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY RANDOLPH

2 HOUSE BILL NO. 105

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing recovery of expenses from the state
7 on hearing or appeal of disputed tax payments; and
8 changing Rules 79 and 82 of the Alaska Rules of Civil
9 Procedure."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 43.05.240 is amended by adding a new subsection to read:
12 (e) A taxpayer who prevails ^(wins-gains) [receives a tax correction in his favor]
13 this section shall recover from the department the expenses of preparing
14 and presenting arguments and evidence relative to the tax or penalty in
15 dispute upon presentation of a certified statement of those expenses to
16 the department.

17 * Sec. 2. Section 1 of this Act changes Rule 79 of the Alaska Rules of
18 Civil Procedure by altering the manner of recovery of costs by a plaintiff
19 entitled to recovery of expenses in an appeal of a disputed tax or penalty,
20 and changes Rule 82 of the Alaska Rules of Civil Procedure by mandating
21 recovery of the entire amount of a plaintiff's attorney fees in the success-
22 ful appeal of a disputed tax or penalty.

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employees and employers to the Department of Labor in connection with the administration of the State Employment Security Act to determine if persons receiving assistance from the Department of Health and Social Services under their Adult Public Assistance and Aid to families

with dependent children were eligible. Such data is within the ambit of protection intended to be afforded the right of privacy under § 22, art. I, of the Alaska Constitution. 1972 Op. Att'y Gen., issued under former AS 43.20.190.

Sec. 43.05.240. Taxpayer remedies. (a) A person aggrieved by the action of the department in fixing the amount of a tax or in imposing a penalty may apply to the department within 60 days from the date of mailing the notice required to be given to him by the department, giving notice of the grievance, and requesting an informal conference. At the conference the person aggrieved may present arguments and evidence relevant to the amount of tax or penalty due the state. If the department determines that a correction is warranted, the department shall make the correction.

(b) A person aggrieved by the action of the department in fixing the amount of a tax or in imposing a penalty may apply to the department and request a formal hearing

(1) in place of the informal conference provided for in (a) of this section, within 60 days from the date of mailing the notice required to be given to him by the department; or

(2) within 30 days after decision resulting from an informal conference.

(c) At the formal hearing the department may subpoena witnesses and may administer oaths and make inquiries necessary to determine the amount of the tax or penalty due the state. The person aggrieved may present arguments and evidence relevant to the amount of the tax or penalty due the state. If the department determines that a correction is warranted, the department shall make the correction.

(d) Within 30 days after the formal hearing and decision by the department, a person aggrieved by the decision of the department may appeal to the superior court in the judicial district in which he resides. The taxpayer shall be given access to the file of the department in the matter for preparation of his appeal. If after the appeal is heard it appears that the tax was correct, the court shall confirm the tax. If incorrect, the court shall determine the amount of the tax and if the person aggrieved is entitled to recover the tax or part of it, the court shall order the repayment and the department shall immediately pay the amount due and attach a certified copy of the judgment to the payment. (§ 2 ch 166 SLA 1976)

Collateral estoppel. — If a later proceeding is concerned with a similar or unlike claim relating to a different tax year, a prior judgment acts as a collateral estoppel only as to those matters in the second proceeding which were actually presented and determined in the first suit.

State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964, decided under former AS 43.70.050.

Res judicata. — If a claim of liability or nonliability relating to a particular tax year is litigated, a judgment on the merits is res judicata as to any subsequent proceeding

involving year. S

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2-14-79
HB 105

1) Randolph
doesn't want to protect the oil industry
10,000 ^{ceiling} maximum per case

remove crt. rule 79E82 to
avoid 2/3 of both houses vote

Messenger
recovery of actual expenses
either way - the State or
the individual -

? at. rule?
CS Draft - Randolph
Messenger

include: 1) limitations - ceiling on amount
~~10,000~~ ^{if disputed}

Part
A & B
Revise
4.3.05.210

2) who is prevailing? - Hearing officer

3) drop sec 2 - Crt. Rule

4) actual costs & attorney fees include
expenses - definition -
which ones are valid -

Messenger - review attorney & accountant &
of expenses

~~attorney fees~~
~~expenses~~ / phone calls ??

5) which level?
formal hearing only - sup. / crt level
administrative

6) spell out how the Dept.
will handle this - make it
easy for taxpayer [ex: take a day
off of work]
25.00 per day per diem

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 20, 1979

SUBJECT: Recovery of expenses in tax appeals
(Work Order No. 6054)

TO: Representative Dick Randolph

FROM: John B. Chenoweth
Legislative Counsel

Some notes with respect to the draft of this legislation of which you should be aware --

Addition of a subsection (e) to AS 43.05.240 provides for the recovery of expenses as against the Department of Revenue in all appeals of taxes and penalties for taxes which are collected by that Department. I find only two other taxes payable which are not collected by the Department of Revenue, relating to insurance premiums (Department of Commerce) and the motor vehicle registration tax (Department of Public Safety). As to the latter two taxes, there is no general mechanism for appeal of the taxes against the administrative agencies. To provide for recovery of costs, I would have had to first provide for an administrative appellate process, and this would appear to fall beyond the scope of the work order. If this is what you desire, please advise.

I have used, in the legislation, the term "expenses" to subsume both the costs of administrative or judicial appeal (i.e. filing fees, duplication expenses, phone calls, and the like) and attorneys' fees. I have also tried to provide for an expedited recovery process based upon the presentation of a certified itemization of expenses to the department. If this is insufficient to provide the measure of protection 'or the state's interest in ascertaining that the expenses claimed are legitimate, please advise and I will redraft the provision with an eye toward strengthening the requirement.

The "automatic" recovery of costs and attorneys' fees by a successful plaintiff provided in section 1 of the bill is in derogation of Alaska court rules of civil procedure. In a

Representative Dick Randolph

Page 2

January 20, 1979

judicial context, court rules currently require a different procedure for ascertaining allowable costs, and allow (but do not mandate) partial recovery of attorneys' fees by a prevailing party. As you may know, Article IV, section 15 of the State Constitution permits the Legislature to exercise rule-making power, but a two-thirds vote on the rule change is required. Additionally, the Agency's drafting manual requires that rule changes wrought by legislative action be set out in the title of the bill.

I trust this is responsive to your request. Please contact me if amendments, changes in text, or additional work is required with respect to the legislation.

Thank you.

JBC:jdn

Enclosure

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February 6, 1979

Chairman CHARLIE PARR called the meeting to order at 3:09 pm with all members present except Representatives BROWN and BARNES who were ill.

The subject was House Bill 105 "An Act authorizing recovery of expenses from the state on hearing or appeal of disputed tax payments; and changing Rules 79 and 82 of the Alaska Rules of Civil procedure".

JAN VANDORT appeared on behalf of Representative RANDOLF. He testified to the fact that Randolph perceived abuse in that many people with a small dollar amount dispute do not appeal because of the costs of such procedure. Apparently all state taxes but two are collected through the Department of Revenue. He stated that because the bill in its present form changes Rules 79 & 82, it would need 2/3 vote of the legislature to pass. He mentioned two practice problems he found in the bill, one being determining who is the prevailing party. In some tax cases there may be more than one issue being disputed and the bill should include some guideline of determining the prevailing party. The other problem VanDort perceived is what would happen when the Dept. of Revenue is the prevailing party. In other words, would the individual be responsible for costs to the state? Rep. MARTIN asked the witness if he felt that this could encourage people to not pay their taxes to which VanDort replied that it didn't discourage people to use the court system. MARTIN then asked if the loss of time at work would be covered under "costs" and was told that this is not clear in the bill's present form. The witness suggested that a Definitions section might be added to the bill.

JOHN MESSENGER appeared on behalf of the Department of Revenue. He testified to the fact that the Department felt sympathetic toward the intent of the bill, an intent to compensate small taxpayers who would otherwise not dispute a tax question because of the high cost involved. He explained the present process of first and informal conference then a formal administrative hearing. He felt that the intent of the legislation could be covered in a bill of more narrow scope. Two main points covered by witness Messenger included the facts that (1) large taxpayer's should not be financed by the state as large corporations have attorneys and accountants on staff so that the legislation should limit the provision to hardship cases, and (2) that once the matter is in court, should the state prove the prevailing party, it also should recover costs. In answer to a question by Chairman Parr, as to what percent of the time a taxpayer now wins his case in formal hearing, the committee was given an estimate of 10%. Chairman Parr then asked Messenger about a fiscal note and was told one could be prepared once the question of "who will be covered?" is answered.

TEO SPENGLER appeared on behalf of the Department of Law. Her four-points to consider include (1) a need for clarity in the bill as to which levels of appeal are reimburseable.

February 6, Continued

As the bill now reads, it appears that the Administrative and Superior Court levels are reimbursable, but for reimbursement in Supreme Court, the bill will also need to change Appellate Rule 29. (2) The question of prevailing party is also seen as a problem to the Department of Law. (3) Apparently the bill is vague as to how legitimate expenses (wages lost or per diem rate) attorney's fees (contingency - reasonable hrly rate). (4) Spengler suggested that a mechanism to determine legitimate expenses.

Staff Attorney PEGGY BERCK explained, at the chairman's request, what Rules 82 & 79 actually are.

Following discussion about fiscal costs and the fact that the Prime Sponsor (Randolf) of the bill was unavailable at the time, Chairman Parr expressed his intent to hold the bill for further research and testimony and the meeting was ADJOURNED at 4:10 pm.

A COMMISSION SURVEY

1977
**CHANGING
PUBLIC ATTITUDES
ON GOVERNMENTS
AND TAXES**

**Advisory Commission on
Intergovernmental Relations**
WASHINGTON, D.C. 20575 • OCTOBER 1977



S-6

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1977

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S-6



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The 1977 Survey

Summary of Findings

This year's ACIR poll of public attitudes on major intergovernmental issues repeats several questions asked in earlier polls and raises one new issue — should states grant special tax breaks in order to promote industrial development?

There are no big surprises when the results of this year's survey are compared to the base lines established by previous polls. While the federal government continues to muster the most votes (36%) from respondents asked to select the most efficient level of government, state and local government, have not lost any of their support (Question 1).

There was also no major shift in public thinking about the proper size of the public sector. The vast majority of respondents favor either a "hold the line" policy or a cutback in taxes and services (Question 2).

A fairly significant shift occurred in public attitudes on major federal, state, and local taxes. The local property tax has again emerged as the worst tax — the least fair — in the view of the American public (Question 3). In the years between '72 and '77, the property tax vied with the federal income tax for this dubious honor. Inflation and its effect on market values and assessments apparently stiffened public opposition to the property tax — 33% of the public termed the property tax least fair in 1977 as compared to only 29% who held this

opinion in 1975. The state sales tax was the apparent beneficiary of the increasing unpopularity of the property tax in this "zero sum" game. In 1977, 17% of the public mentioned the sales tax as least fair, down from 23% in 1975.

The American public continues to be of two minds when asked whether it favors special federal aid for central cities in financial difficulty — 43% favor the idea, 44% are opposed (Question 4).

The general continuity of poll results from year to year can be attributed in large part to the fact that the various groups within the body politic hold fairly fixed, albeit contrasting, views on many of the major intergovernmental issues. Those in the low income group, for example, tend to be the most supportive of the federal government; while those in the highest income class are more apt to give local government their vote of confidence. The report illustrates this range of views among categories of respondents in order to call attention to these important variations.

In response to our new question about the desirability of granting special tax breaks to industry, the respondents revealed marked regional differences. Fifty-seven percent of those in the northeast favor such a policy, while only 42% in the west support it (Question 5). These responses underscore the growing concern of the "frostbelt" states for spurring economic development.

The Most Popular Level of Government

Table 1

From Which Level of Government Do You Feel You Get the Most
for Your Money — Federal, State, or Local?

Percent of Total U.S. Public

	May 1977	March 1976	May 1975	April 1974	May 1973	March 1972
Federal	36%	36%	38%	29%	35%	39%
Local	26	25	25	28	25	26
State	20	20	20	24	18	18
Don't Know	18	19	17	19	22	17

When 1977 national totals are broken down by respondent category, they reveal the following striking contrasts:

Most Popular Level of Government	Respondent Category	Percent of Total U.S. Public
Federal Most Popular	Age: 60 and over	45%
	30 thru 44	29
	Occupation: Retired	45
	Exec., Prof., Mgrl.	23
State Most Popular	Status of Dwelling: Renters	25
	Owners	18
Local Most Popular	Education: College Grad.	43
	Less than H.S. Grad.	16
	Occupation: Exec., Prof., Mgrl.	42
	Retired	17
Household Income:	\$25,000 +	48
	Under \$7,000	15

For additional detail, see **Table 1A** on page 4.

TABLE 1A

From Which Level of Government do You Feel You Get the Most for Your Money —
Federal, State, or Local?

	Federal	State	Local	Don't Know
Total Public	36%	20%	26%	18%
18-29 Years of Age	33	27	25	14
30-44	29	22	33	16
45-59	37	16	27	20
60 Years and Over	45	13	18	25
Male				
Total	42	17	28	13
18-29 Years of Age	36	27	27	10
30-44	37	18	36	9
45-59	48	10	30	12
60 Years and Over	50	10	21	19
Female				
Total	30	24	24	23
18-29 Years of Age	31	28	24	18
30-44	24	25	31	20
45-59	26	23	23	27
60 Years and Over	39	16	13	31
Employed	29	25	26	20
Housewife	28	23	25	25
High School Graduate or Less				
Total	38	21	21	21
Less Than High School Graduate	39	20	16	26
High School Graduate	37	22	26	15
College				
Total	32	20	36	13
Some	35	21	31	14
Graduate	27	19	43	11
Executive, Professional, Managerial	23	24	42	11
White Collar	33	21	32	14
Blue Collar				
Total	36	22	22	20
Skilled	34	21	25	20
Semi/Unskilled	38	22	19	20
Retired	45	15	17	22

TABLE 1A (Cont.)

**From Which Level of Government do You Feel You Get the Most for Your Money —
Federal, State, or Local?**

	Federal	State	Local	Don't Know
Total Public	36%	20%	26%	18%
Nielsen Markets				
A	36	18	25	20
B	36	19	30	15
C	35	23	25	17
D	34	24	22	20
Household Income				
Under 7K	41	20	15	23
7-9.9K	38	21	24	17
10-14.9K	35	23	26	16
15-24.9K	32	19	33	17
25K Plus	27	18	48	8
Region				
Northeast	39	16	26	19
North Central	37	19	27	16
South	34	24	22	20
West	31	22	29	17
Rural	33	25	20	23
Suburb	34	20	28	17
City				
Total	38	20	25	17
One Family	36	18	29	17
Multifamily	42	22	18	18
Race				
White	35	21	27	18
Nonwhite	42	18	18	21
No Child	39	18	23	19
With Children				
Total	31	23	29	17
12-17	32	22	29	16
6-11	32	23	27	17
Under 6	29	25	29	17
Own Home	35	18	29	18
Rent Home	38	25	19	18

The Level of Government Services and Taxes

Table 2

Considering All Government Services on the One Hand and Taxes on the Other,
Which of the Following Statements Comes Closest to Your View?

	Percent of Total U.S. Public		
	May 1977	March 1976	May 1975
Keep taxes and services about where they are.	52%	51%	45%
Decrease services and taxes.	31	30	38
Increase services and raise taxes.	4	5	5
No opinion.	13	14	12

When 1977 national totals are broken down by respondent category, they reveal the following striking contrasts:

Extent of Support For:	Respondent Category	Percent of Total U.S. Public
Decreasing Services and Taxes	Household Income: \$25,000 +	38%
	Under \$7,000	27
	Race: White	33
	Nonwhite	22
Keeping Taxes and Services About Where They Are	Education: High School Grad.	57
	College Grad.	47
	Household Income: \$10,000 to \$14,999	58
	\$25,000 +	50
	Region: North Central	61
	West	46
Dwelling Location:	Suburb	55
	Rural	45

For additional detail, see **Table 2A**, on page 8.

TABLE 2A

Considering All Government Services on the One Hand and Taxes on the Other,
Which of the Following Statements Comes Closest to Your View?

	Decrease Services and Taxes	Keep Taxes and Services About Where They Are	Increase Services and Raise Taxes	No Opinion
Total Public	31%	52%	4%	13%
18-29 Years of Age	30	51	5	14
30-44	31	54	3	12
45-59	35	49	3	13
60 Years or Over	29	56	3	12
Male				
Total	35	51	4	10
18-29 Years of Age	37	49	5	9
30-44	36	51	4	10
45-59	38	50	3	10
60 Years or Over	29	56	4	11
Female				
Total	28	53	3	
18-29 Years of Age	24	52	5	
30-44	28	57	2	
45-59	31	49	3	16
60 Years or Over	29	56	2	13
Employed	29	52	4	15
Housewife	28	54	2	15
High School Graduate or Less				
Total	30	53	3	14
Less than High School Graduate	32	49	2	17
High School Graduate	28	57	4	11
College				
Total	34	51	4	11
Some Graduate	32	54	2	12
Graduate	36	47	8	9
Executive, Professional, Managerial	37	52	4	7
White Collar	35	51	4	10
Blue Collar				
Total	29	51	4	16
Skilled	27	56	4	13
Semi/Unskilled	30	47	4	19
Retired	29	56	2	13

TABLE 2A (Cont.)

Considering All Government Services on the One Hand and Taxes on the Other,
Which of the Following Statements Comes Closest to Your View?

	Decrease Services and Taxes	Keep Taxes and Services About Where They Are	Increase Services and Raise Taxes	No Opinion
Total Public	31%	52%	4%	13%
Nielsen Markets				
A	29	54	4	14
B	35	52	5	9
C	31	54	1	14
D	30	49	5	16
Household Income				
Under 7K	27	51	4	18
7-9.9K	32	51	3	13
10-14.9K	31	58	2	9
15-24.9K	33	52	3	12
25K Plus	38	50	6	6
Region				
Northeast	33	48	3	15
North Central	27	61	4	8
South	32	51	4	13
West	33	46	3	18
Rural	37	45	3	15
Suburb	31	55	4	10
City				
Total	29	53	3	15
One Family	30	55	3	12
Multifamily	28	48	5	20
Race				
White	33	53	3	11
Nonwhite	22	49	6	23
Total Public	31	52	4	13
No Child	30	54	3	13
With Children				
Total	32	50	4	13
12-17	33	52	4	11
6-11	28	53	5	14
Under 6	32	49	5	14
Own Home	32	54	3	11
Rent Home	30	48	5	17

The Worst Tax

Table 3

Which Do You Think is the Worst Tax — That is, the Least Fair?

Percent of Total U.S. Public

	May 1977	May 1975	April 1974	May 1973	March 1972
Federal Income Tax	28%	28%	30%	30%	19%
State Income Tax	11	11	10	10	13
State Sales Tax	17	23	20	20	13
Local Property Tax	33	29	28	31	45
Don't Know	11	10	14	11	11

When 1977 national totals are broken down by region, they reveal the following striking contrasts:

	Percent of Total U.S. Public	Percent of Respondents by Region			
		North- east	North Central	South	West
Federal Income Tax	28%	20%	32%	33%	25%
State Income Tax	11	17	9	10	7
State Sales Tax	17	23	15	17	15
Local Property Tax	33	28	37	25	45
Don't Know	11	13	8	14	7

For additional detail, see Table A3 on page 12.

TABLE 3A

Which Do You Think is the Worst Tax — That is, the Least Fair?

	Federal Income Tax	State Income Tax	State Sales Tax	Local Property Tax	Don't Know
Total Public	28%	11%	17%	33%	11%
18-29 Years of Age	29	10	18	35	9
30-44	34	15	16	29	6
45-59	32	11	14	33	10
60 Years and Over	18	7	20	34	20
Male					
Total	28	11	18	36	7
18-29 Years of Age	29	10	18	40	3
30-44	32	16	15	33	4
45-59	29	11	15	38	7
60 Years and Over	21	9	23	31	16
Female					
Total	29	10	17	30	14
18-29 Years of Age	28	9	19	30	14
30-44	35	15	18	26	7
45-59	34	10	14	28	14
60 Years and Over	15	4	17	38	26
Employed	31	10	19	30	10
Housewife	29	13	17	27	13
High School Graduate or Less					
Total	26	11	19	31	13
Less Than High School Graduate	23	11	20	29	17
High School Graduate	29	11	17	33	10
College					
Total	33	10	15	35	6
Some	33	12	14	35	6
Graduate	34	8	16	36	7
Executive, Professional, Managerial	29	8	14	42	6
White Collar	34	13	14	32	7
Blue Collar					
Total	30	11	19	31	10
Skilled	31	13	16	33	7
Semi/Unskilled	28	10	21	29	12
Retired	19	9	21	33	18

TABLE 3A (Cont.)

Which Do You Think is the Worst Tax — That is, the Least Fair?

	Federal Income Tax	State Income Tax	State Sales Tax	Local Property Tax	Don't Know
Total Public	28%	11%	17%	33%	11%
Nielsen Markets					
A	25	13	16	34	11
B	31	9	17	33	9
C	28	10	18	35	10
D	31	9	20	25	15
Household Income					
Under 7K	22	8	21	30	18
7-9.9K	28	11	19	30	12
10-14.9K	31	10	18	37	4
15-24.9K	33	13	14	32	8
25K Plus	31	13	14	38	3
Region					
Northeast	20	17	23	28	13
North Central	32	9	15	37	8
South	33	10	17	25	14
West	25	7	15	45	7
Rural	27	10	17	36	10
Suburb	27	11	15	35	11
City					
Total	30	10	20	29	11
One Family	29	10	20	31	10
Multifamily	31	12	18	25	14
Race					
White	28	11	17	34	10
Nonwhite	27	10	20	23	20
No Child	26	9	17	34	14
With Children					
Total	31	11	18	32	8
12-17	31	13	18	31	8
6-11	32	13	18	30	7
Under 6	29	10	17	34	9
Own Home	27	10	17	36	10
Rent Home	30	12	18	26	14

Special Federal Aid to Cities

Table 4

Many of Our Major Central Cities are Experiencing Financial Difficulty. Would You Favor or Oppose Special Federal Aid for These Central Cities?

	Percent of Total U.S. Public		Percent of Respondents by Region			
	May '77	Mar. '76	Northeast ¹	North Central	South	West
	Favor	43%	48%	58%	38%	38%
Oppose	44	40	34	48	47	47
No Opinion	12	12	8	13	15	11

When 1977 national totals are broken down by respondent category, they reveal the following striking contrasts:

Extent of Support	Respondent Category	Percent of Total U.S. Public
In Favor of Aid to Cities	Age: 18 thru 29	55%
	60 and over	33
	Race: Nonwhite	58
	White	41
	Status of Dwelling: Renters	56
	Owners	36
In Opposition to Aid to Cities	Household Income: \$25,000 +	58
	Under \$7,000	35
	Dwelling Location: Rural	52
	City	41
	Education: College Grad.	52
	Less than H.S. Grad.	39

¹In 1976, 70% of the respondents in the Northeast favored federal aid for these cities. In the remaining regions, the contrast between 1977 and 1976 results for those favoring aid was much less marked.

For additional detail, see **Table 4A**, on page 16.

TABLE 4A

**Many of Our Major Central Cities are Experiencing Financial Difficulty;
Would You Favor or Oppose Special Federal Aid for These Central Cities?**

	Favor	Oppose	Don't Know
Total Public	43%	44%	12%
18-29 Years of Age	55	36	9
30-44	41	48	10
45-59	39	48	13
60 Years and Over	33	48	18
Male			
Total	45	47	8
18-29 Years of Age	57	38	5
30-44	43	52	4
45-59	42	49	9
60 Years and Over	33	52	15
Female			
Total	42	42	16
18-29 Years of Age	54	34	13
30-44	40	45	15
45-59	37	46	17
60 Years and Over	33	44	23
Employed	44	41	16
Housewife	39	45	16
High School Graduate or Less			
Total	43	43	15
Less Than High School Graduate	42	39	19
High School Graduate	43	47	10
College			
Total	45	47	8
Some	46	44	10
Graduate	44	52	4
Executive, Professional, Managerial	43	50	6
White Collar	43	47	10
Blue Collar			
Total	47	41	12
Skilled	40	49	12
Semi/Unskilled	53	35	13
Retired	35	46	19

TABLE 4A (Cont.)

Many of Our Major Central Cities are Experiencing Financial Difficulty;
Would You Favor or Oppose Special Federal Aid for These Central Cities?

	Favor	Oppose	Don't Know
Total Public	43%	44%	12%
Nielsen Markets			
A	48	40	12
B	38	53	9
C	42	48	10
D	42	35	23
Household Income			
Under 7K	45	35	19
7-9.9K	49	39	12
10-14.9K	44	48	7
15-24.9K	40	51	9
25K Plus	37	58	5
Region			
Northeast	58	34	8
North Central	38	48	13
South	38	47	15
West	41	47	11
Rural	38	52	9
Suburb	43	45	12
City			
Total	45	41	14
One Family	37	48	15
Multifamily	60	28	12
Race			
White	41	47	11
Nonwhite	58	24	18
No Child	42	45	13
With Children			
Total	44	44	12
12-17	45	44	12
6-11	44	44	11
Under 6	41	47	12
Own Home	37	50	13
Rent Home	56	33	11

Tax Breaks and Other Incentives to Attract and Hold Industries

Table 5

Some States Have Passed Laws Which Give Special Tax Breaks or Other Incentives to Industries That Will Locate Facilities or Expand Present Operations in the State.
Do You Favor or Oppose This Policy?

	Percent of Total U.S. Public	Percent of Respondents by Region			
		Northeast	North Central	South	West
Favor	50%	57%	48%	52%	42%
Oppose	36	30	38	30	49
No Opinion	14	13	13	18	9

When 1977 national totals are broken down by respondent category, they reveal the following striking contrasts:

Special Tax Breaks or Other Incentives to Industries	Respondent Category	Percent of Total U.S. Public	
Favor Tax Breaks	Education: College Grad.	64%	
	Less than H.S. Grad.	44	
	Occupation: Exec., Prof., Mgrl.	Semi-Unskilled	64
			44
	Household Income: \$25,000 +	Under \$7,000	61
			43
Oppose Tax Breaks	Dwelling Location: Rural	42	
	Suburb	33	

For additional detail, see **Table 5A**, on page 20.

TABLE 5A

Some States have Passed Laws Which Give Special Tax Breaks or Other Incentives to Industries That Will Locate Facilities or Expand Present-Operations in the State. Do You Favor or Oppose This Policy?

	Favor	Oppose	No Opinion
Total Public	50%	36%	14%
18-29 Years of Age	51	38	12
30-44	54	35	11
45-59	51	36	13
60 Years or Over	45	33	22
Male			
Total	56	35	9
18-29 Years of Age	57	36	8
30-44	61	34	5
45-59	57	37	7
60 Years and Over	49	36	15
Female			
Total	46	36	19
18-29 Years of Age	45	40	15
30-44	50	35	15
45-59	46	34	19
60 Years and Over	40	30	29
Employed	46	40	14
Housewife	47	34	19
High School Graduate or Less			
Total	46	38	16
Less than High School Graduate	44	36	20
High School Graduate	49	39	12
College			
Total	59	31	9
Some	58	33	11
Graduate	64	28	7
Executive, Professional, Managerial	64	30	6
White Collar	52	39	9
Blue Collar			
Total	47	38	15
Skilled	51	36	13
Semi/Unskilled	44	40	16
Retired	46	34	20

TABLE 5A (Cont.)

Some States Have Passed Laws Which Give Special Tax Breaks or Other Incentives to Industries That Will Locate Facilities or Expand Present Operations in the State. Do You Favor or Oppose This Policy?

	Favor	Oppose	No Opinion
Total Public	50%	36%	14%
Nielsen Markets			
A	52	34	14
B	49	39	12
C	50	37	13
D	50	31	20
Household Income			
Under 7K	43	35	22
7-9.9K	47	37	16
10-14.9K	55	37	9
15-24.9K	54	37	9
25K Plus	61	31	7
Region			
Northeast	57	30	13
North Central	48	38	13
South	52	30	18
West	42	49	9
Rural	43	42	15
Suburb	53	33	13
City			
Total	50	35	15
One Family	49	37	14
Multifamily	52	33	15
Race			
White	51	37	12
Nonwhite	47	29	25
No Child	51	35	15
With Children			
Total	50	36	14
12-17	51	34	14
6-11	58	30	13
Under 6	47	40	13
Own Home	49	38	14
Rent Home	54	31	15

THE POLL

This report presents the findings of a personal interview research survey conducted among a probability sample of 2,009 men and women, 18 years of age or over, living in private households in the continental United States.

Interviewing for this Caravan survey was completed during the period May 14 through June 2, 1977, by members of the Opinion Research Corporation national interviewing staff. All interviews were conducted in the homes of respondents, using a thoroughly pretested questionnaire.

The most advanced probability sampling techniques were employed in the selection of interviewing households and random selection of a designated respondent within the household. One callback was required in all cases where the originally designated respondent was not available at the time of the initial call to that housing unit. Only one interview was conducted per household. To further ensure the representativeness of the sample, data were subject to ORC's weighting program, which takes into account probability of being at home and six different demographic variables. Therefore, the results may be projected to the total U.S. population of men and women, 18 years of age or over.

Introduction to Detailed Findings

The tables contained in this report present detailed findings of the survey results. Where percentages add to more than 100, it is because of multiple answers.

The following definitions are provided for some of the standard sidebreaks by which the data are analyzed. Other sidebreaks are self-explanatory.

Occupation refers to the occupation of the chief wage earner in the family. The 1977 questionnaire uses the Hollingshead classifications shown at the left below; the sidebreak collapses them as shown at the right and adds a retired classification.

The *city size* groups all respondents into one of three major categories — rural, suburb, or city — and is based on interviewer observation of the respondent's location in terms of rural, suburb and city, and the age and type of dwelling.

City dwellers are divided into two groups — those living in single family versus multi-family dwellings.

The four geographic regions are comprised as follows: Northeast — Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.

Hollingshead Classification

Higher Executives, Large Business Owners, Major Professionals
Business Manager, Medium Business Owners, Lesser Professionals
Administrative, Small Business Owners, Semiprofessionals
Clerical/Sales Workers, Technicians, Little Business Owners
Skilled Manual Employees
Machine Operators, Semiskilled Employees
Unskilled Employees

Sidebreak Groupings

Executive/Professional/Managerial
White Collar
Blue Collar
Skilled
Semi/Unskilled
Retired

cut, New York, New Jersey, Pennsylvania; North Central — Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas; South — Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas; West — Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California.

The *Nielsen Market Size* groups respondents by A.C. Nielsen Company market size:

- A — All counties comprising the 25 largest metropolitan areas;
 - B — All other counties having a population of 150,000 or more, or that form part of a metropolitan area having a total population of 150,000 or more;
 - C — All other counties having a population of 35,000 or more, or forming part of a metropolitan area having a population of 35,000 or more; and
 - D — All remaining counties in the country.
- Income* groups respondents by total family income in 1976, before taxes.

APPENDIX TABLES
Detailed Results
of
1972-1976 Surveys

TABLE A

From Which Level of Government do You Feel You Get the Most for Your Money —
Federal, State, or Local?
(in percent)

	March 1976				May 1975				April 1974				May 1973				March 1972			
	1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.	1.	2.	3.	4.
Total U.S. Public	36	20	25	19	38	20	25	17	29	24	28	19	35	18	25	22	39	18	26	17
Men	39	19	26	17	40	21	26	13	34	23	28	15	37	20	26	17	43	17	28	12
Women	33	21	24	22	36	21	23	20	25	26	27	22	33	17	24	26	37	18	24	21
18—29 Years of Age	36	26	25	13	38	26	24	12	30	27	27	16	38	21	23	18	40	23	24	13
30—39	31	23	30	16	36	22	28	14	23	24	32	21	33	20	26	21	41	19	23	17
40—49	33	22	28	19	40	18	27	15	31	23	30	16	35	20	26	19	39	15	30	16
50—59	32	17	24	27	40	18	29	13	31	24	28	17	31	17	31	21	35	16	32	17
60 Years or Over	43	12	19	26	38	16	18	28	30	21	24	25	37	14	19	30	41	14	22	23
Less Than High School Complete	43	16	16	26	41	16	19	24	31	22	20	27	37	16	19	28	38	17	23	22
High School Complete	33	24	26	17	37	22	27	14	27	27	31	15	35	20	27	18	41	19	27	13
Some College	31	21	36	13	37	22	29	12	29	24	35	12	34	21	30	15	38	19	30	13
Professional	27	27	34	13	35	24	31	10	22	28	34	16	30	22	37	11	43	19	25	13
Managerial	29	17	40	14	37	21	31	11	29	24	34	13	34	19	30	17	34	22	32	12
Clerical, Sales	32	27	25	16	43	21	25	11	25	28	31	16	34	17	28	21	41	18	26	15
Craftsman, Foreman	35	25	22	18	35	20	30	15	28	25	29	18	33	21	27	19	37	21	26	16
Other Manual, Service	37	17	22	24	41	21	19	19	33	21	25	21	37	18	22	23	41	15	25	19
Farmer, Farm Laborer	30	27	29	21	35	26	26	13	18	22	27	33	23	28	20	29	40	14	27	19

Rural	34	21	30	16	37	21	24	18	—	—	—	—	—	—	—	—	—	—		
Old Suburb	33	24	24	20	38	21	25	16	—	—	—	—	—	—	—	—	—	—		
New Suburb	24	24	34	18	36	24	31	9	—	—	—	—	—	—	—	—	—	—		
City—1 Family	40	18	25	17	38	22	25	15	—	—	—	—	—	—	—	—	—	—		
City—Multifamily	30	26	20	24	49	13	20	18	—	—	—	—	—	—	—	—	—	—		
City—Apartment	46	13	17	24	35	17	25	23	—	—	—	—	—	—	—	—	—	—		
Nonmetro—Rural	—	—	—	—	—	—	—	—	26	25	25	24	35	20	21	24	33	20	26	21
—Urban	—	—	—	—	—	—	—	—	28	27	29	16	35	19	28	18	37	20	27	16
Metro—50,000—999,999	—	—	—	—	—	—	—	—	26	26	27	21	34	18	26	22	37	20	29	14
—1,000,000 or Over	—	—	—	—	—	—	—	—	32	22	28	18	37	18	23	22	44	15	23	18
Northeast	36	18	24	24	42	16	24	18	28	22	25	25	34	16	28	22	43	12	24	21
North Central	34	22	27	18	34	24	27	15	30	22	35	13	27	16	26	21	38	21	29	12
South	39	22	22	17	42	19	20	19	29	27	22	22	37	19	21	23	36	19	27	18
West	34	17	31	18	34	23	29	14	28	27	28	17	30	25	26	19	42	21	21	16
Under \$5,000 Family Income	42	17	19	24	37	19	17	27	32	26	21	21	37	15	16	32	42	18	19	21
\$5,000—\$6,999	50	13	13	24	43	14	22	21	34	20	29	17	38	20	18	24	48	17	19	16
\$7,000—\$9,999	34	19	26	21	41	20	26	13	27	23	24	26	35	18	23	24	37	19	29	15
\$10,000—\$14,999	34	24	22	20	37	22	26	15	25	28	30	17	35	22	29	14	36	16	31	17
\$15,000 or Over	30	23	35	13	37	23	31	9	29	22	35	14	33	18	33	16	39	20	29	12
White	35	21	27	17	37	21	25	17	28	24	30	18	35	19	27	19	38	19	26	17
Nonwhite	46	11	10	33	44	18	20	18	34	24	11	31	40	16	11	33	52	10	20	18
No Children in Household	38	19	23	21	39	19	22	20	29	23	27	21	35	18	23	24	39	17	25	19
With Children Under 18	34	22	27	18	37	23	27	13	29	26	28	17	35	19	26	20	40	19	26	15
With Teenagers 12-17	32	21	28	19	38	22	27	13	31	22	28	19	35	18	25	22	38	18	28	16
Own Home	34	21	27	19	39	21	24	16	29	24	30	17	34	17	28	21	38	18	28	16
Rent Home	41	19	19	21	37	20	24	19	30	24	23	23	36	22	19	23	43	19	20	18

TABLE B

Considering All Government Services on the One Hand and Taxes on the Other,
Which of the Following Statements Comes Closest to Your View?
(in percent)

1. Decrease services and taxes.
2. Keep taxes and services about where they are.
3. Increase services and raise taxes. 4. No Opinion.

	March 1976				May 1975			
	1.	2.	3.	4.	1.	2.	3.	4.
Total U.S. Public	30	51	5	14	38	45	5	12
Men	32	50	6	12	40	46	4	10
Women	29	52	4	15	37	45	4	14
18—29 Years of Age	32	51	5	12	36	47	6	11
30—39	30	53	4	13	42	46	3	9
40—49	33	45	7	15	39	47	3	11
50—59	35	45	5	15	43	42	5	10
60 Years or Over	23	59	3	15	33	45	3	19
Less Than High School Complete	32	47	4	17	33	46	4	17
High School Complete	31	53	3	13	43	46	3	8
Some College	28	53	9	10	40	42	7	11
Professional	28	52	10	10	36	49	8	7
Managerial	38	46	5	11	44	45	5	6
Clerical, Sales	31	50	4	15	37	52	3	8
Craftsman, Foreman	32	50	4	14	42	43	4	11
Other Manual Service	30	51	4	15	36	49	4	11
Farmer, Farm Laborer	39	35	6	20	39	30	5	26
Rural	40	45	4	11	37	48	3	12
Old Suburb	32	53	5	10	37	50	4	9
New Suburb	29	57	3	11	41	47	4	8
City—1 Family	27	53	4	16	42	44	4	10
City—Multifamily	23	59	3	15	43	41	4	12
City—Apartment	29	50	8	13	31	40	9	20
Northeast	28	53	5	14	39	39	5	17
North Central	28	50	5	17	39	47	4	10
South	31	53	4	12	34	50	4	12
West	37	46	5	12	43	42	5	10
Under \$5,000 Family Income	30	52	4	14	31	42	5	22
\$5,000—\$6,999	25	54	1	20	39	44	3	14
\$7,000—\$9,999	34	47	5	14	34	53	4	9
\$10,000—\$14,999	28	52	4	16	39	48	5	8
\$15,000 or Over	32	52	6	10	46	42	5	7
White	31	51	5	13	39	46	3	12
Nonwhite	24	48	4	24	33	40	11	16
No Children in Household	28	54	5	13	36	44	5	15
With Children Under 18	33	48	5	14	40	48	4	8
With Teenagers 12-17	37	44	5	14	44	46	2	8
Own Home	32	51	4	13	41	46	3	10
Rent Home	26	52	5	17	33	45	6	16

TABLE C

Suppose Your State Government Must Raise Taxes Substantially, Which of These Do You Think Would be the Best Way to Do It — State Income Tax, State Sales Tax, or State Property Tax? (in percent)

	1. State Income Tax 2. State Sales Tax 3. State Property Tax					4. Other 5. Don't Know				
	March 1976					March 1972				
	1.	2.	3.	4.	5.	1.	2.	3.	4.	5.
Total U.S. Public	25	45	10	6	14	25	46	14	5	10
Men	27	44	11	6	12	29	43	14	6	8
Women	24	45	9	6	16	22	48	13	4	13
18—29 Years of Age	27	43	17	5	9	29	38	23	2	8
30—39	23	48	9	7	13	26	47	14	4	9
40—49	28	45	8	8	11	25	49	10	6	10
50—59	18	51	7	6	18	20	50	11	7	12
60 Years or Over	25	40	6	5	23	25	47	8	6	14
Less Than High School Complete	23	38	10	5	24	24	44	13	5	14
High School Complete	24	49	10	6	12	25	49	13	4	9
Some College	30	48	10	7	5	27	45	16	5	7
Professional	30	49	10	5	6	27	48	11	7	7
Managerial	23	51	10	8	8	25	47	17	3	8
Clerical, Sales	24	43	16	6	11	22	47	17	5	9
Craftsman, Foreman	25	53	9	6	7	24	48	12	6	10
Other Manual, Service	24	41	12	6	17	26	43	14	4	13
Farmer, Farm Laborer	13	49	9	6	23	34	37	21	1	7
Nonmetro—Rural	22	51	8	6	14	25	45	15	3	12
—Urban	29	44	7	4	16	22	50	10	5	13
Metro—50,000—999,999	15	60	8	11	6	26	49	12	5	8
—1,000,000 or Over	27	45	11	6	11	26	42	16	5	11
Northeast	28	37	12	6	17	28	38	16	5	13
North Central	26	48	9	6	12	27	50	8	5	10
South	20	47	11	5	17	23	43	18	5	11
West	30	46	8	8	9	22	54	13	4	7
Under \$5,000 Family Income	26	32	12	4	27	26	40	16	6	12
\$5,000—\$6,999	20	45	8	6	21	21	46	18	3	12
\$7,000—\$9,999	23	44	13	7	13	27	46	12	5	10
\$10,000—\$14,999	24	50	10	7	9	26	49	11	5	9
\$15,000 or Over	26	52	8	8	6	23	51	13	5	8
White	25	47	10	6	12	25	46	14	5	10
Nonwhite	24	30	9	10	27	24	42	16	4	14
No Children in Household	25	43	10	6	16	24	44	15	5	12
With Children Under 18	25	47	10	6	12	26	48	13	4	9
With Teenagers 12-17	27	44	9	6	14	25	49	11	5	10
Own Home	27	49	6	6	12	25	51	9	5	10
Rent Home	20	35	19	6	20	25	36	24	4	11

TABLE D

In Addition to Providing Certain Moneys to State and Local Governments for Specific Purposes, the National Government Also Gives a Form of Federal Aid Called Revenue Sharing. Under This Program, State and Local Governments Receive About \$6-Billion a Year to Use as They Think Best. Do You Favor or Oppose This Revenue Sharing Form of Federal Aid?
(in percent)

	1. Favor			2. Oppose			3. No Opinion		
	March 1976			May 1975					
	1.	2.	3.	1.	2.	3.			
Total U.S. Public	60	21	19	55	22	23			
Men	62	23	15	59	25	16			
Women	58	20	22	51	20	29			
18—29 Years of Age	64	21	15	59	19	22			
30—39	63	20	17	57	27	16			
40—49	61	24	15	53	26	21			
50—59	62	20	18	58	26	16			
60 Years or Over	53	20	27	46	18	36			
Less Than High School Complete	53	20	27	45	22	33			
High School Complete	60	23	17	60	23	17			
Some College	70	21	9	60	23	17			
Professional	67	21	12	66	21	13			
Managerial	61	23	16	67	22	11			
Clerical, Sales	60	23	17	59	23	18			
Craftsman, Foreman	62	26	12	52	27	21			
Other Manual, Service	61	20	19	55	25	20			
Farmer, Farm Laborer	60	12	28	45	29	26			
Rural	60	20	20	47	27	26			
Old Suburb	55	23	22	58	20	22			
New Suburb	58	28	14	55	31	14			
City—1 Family	64	20	16	57	23	20			
City—Multifamily	60	20	20	57	29	14			
City—Apartment	69	16	15	55	15	30			
Northeast	62	16	22	58	17	25			
North Central	61	21	18	51	28	21			
South	62	20	18	54	21	25			
West	53	31	16	57	23	20			
Under \$5,000 Family Income	54	18	28	48	14	38			
\$5,000—\$6,999	64	18	18	55	16	29			
\$7,000—\$9,999	58	24	18	53	23	24			
\$10,000—\$14,999	60	24	16	54	29	17			
\$15,000 or Over	67	21	12	61	27	12			
White	61	21	18	55	23	22			
Nonwhite	54	20	26	53	17	30			
No Children in Household	59	21	20	53	20	27			
With Children Under 18	61	22	17	57	25	18			
With Teenagers 12-17	60	21	19	58	25	17			
Own Home	58	23	19	53	26	21			
Rent Home	65	17	18	57	16	27			

TABLE E

Here is a List of the Major Types of Taxes in the Country Today.
Which do You Think is the Fairest?
(in percent)

- | | |
|-----------------------|-----------------------|
| 1. Federal Income Tax | 4. Local Property Tax |
| 2. State Income Tax | 5. Don't Know |
| 3. State Sales Tax | |

	April 1974					March 1972				
	1.	2.	3.	4.	5.	1.	2.	3.	4.	5.
Total U.S. Public	26	13	24	14	23	36	11	33	7	13
Men	29	13	27	13	19	40	11	32	7	10
Women	23	14	21	15	27	32	11	34	8	15
18-29 Years of Age	26	21	23	13	18	39	13	30	8	10
30-39	25	14	25	13	23	31	13	36	9	11
40-49	28	10	28	16	18	43	10	30	5	12
50-59	23	9	28	13	26	33	11	39	8	9
60 Years of Over	26	9	20	15	30	31	8	34	7	20
Less Than High School Complete	24	9	19	15	34	31	12	31	8	18
High School Complete	24	15	27	16	17	41	10	33	7	9
Some College	32	19	27	9	14	37	9	37	8	9
Professional	27	22	24	12	16	45	9	31	6	9
Managerial	24	16	28	12	21	37	11	34	9	9
Clerical, Sales	26	15	28	14	17	35	11	36	7	11
Craftsman, Foreman	26	12	25	18	19	37	11	35	6	11
Other Manual, Service	27	13	21	13	25	34	13	31	7	15
Farmer, Farm Laborer	11	7	20	21	42	38	10	30	10	12
Nonmetro-Rural	11	9	26	20	34	19	11	33	15	22
-Urban	24	15	29	18	13	31	14	35	7	13
Metro-50,000-999,999	23	14	27	15	21	40	11	35	6	8
-1,000,000 or Over	32	14	20	10	25	39	10	30	7	14
Northeast	29	10	18	12	32	43	10	23	9	15
North Central	28	16	27	15	15	38	13	35	4	10
South	23	11	25	16	26	29	9	37	10	15
West	24	20	27	12	18	34	13	37	6	10
Under \$5,000 Family Income	28	9	20	13	29	33	12	30	9	16
\$5,000-\$6,999	27	15	19	12	27	37	11	32	7	13
\$7,000-\$9,999	23	13	23	14	27	36	14	30	9	11
\$10,000-\$14,999	26	16	24	15	19	34	10	38	6	12
\$15,000 or Over	25	14	32	14	16	40	8	36	7	9
White	26	13	26	15	20	35	11	35	8	11
Nonwhite	22	15	13	7	43	37	9	23	7	24
No Children in Household	26	12	23	13	25	34	10	33	8	15
With Children Under 18	25	15	25	15	20	37	11	33	8	11
With Teenagers 12-17	25	13	26	14	22	37	11	34	7	11
Own Home	25	12	26	17	21	34	10	36	8	12
Rent Home	27	17	21	8	26	39	13	27	8	13

TABLE F

Which do You Think is the Wcrst Tax — That is, the Least Fair?
(in percent)

	1. Federal Income Tax					3. State Sales Tax					5. Don't Know									
	2. State Income Tax					4. Local Property Tax														
	May 1975					April 1974					May 1973					March 1972				
	1.	2.	3.	4.	5.	1.	2.	3.	4.	5.	1.	2.	3.	4.	5.	1.	2.	3.	4.	5.
Total U.S. Public	28	11	23	29	10	30	10	20	28	14	30	10	20	31	11	19	13	13	45	11
Men	30	12	22	29	9	29	9	23	31	10	30	9	19	34	9	19	11	15	44	11
Women	26	11	24	29	12	30	10	17	26	19	30	11	20	28	12	18	14	12	45	12
18-29 Years of Age	33	12	25	26	5	31	8	21	29	13	31	12	21	28	9	22	13	15	41	9
30-39	28	14	23	29	8	30	11	18	29	13	33	9	19	31	8	22	16	15	40	10
40-49	29	12	19	33	9	35	10	21	28	7	29	11	19	32	11	19	12	12	46	11
50-59	26	12	22	30	11	31	13	17	30	14	36	12	16	29	8	17	14	14	45	11
60 Years or Over	22	9	25	29	20	24	8	21	26	23	21	7	22	34	17	13	9	10	51	17
Less Than High School Complete	24	10	26	28	16	26	8	22	25	22	27	7	21	30	15	17	11	13	43	16
High School Complete	29	12	20	32	9	34	12	16	30	11	34	12	19	29	8	21	14	12	46	8
Some College	33	12	23	27	6	32	9	22	31	7	28	13	18	34	7	19	13	17	45	8
Professional	29	13	19	30	9	33	14	21	27	10	29	11	20	35	5	13	16	17	48	9
Managerial	35	11	20	31	5	37	10	16	29	12	37	11	16	31	5	25	12	16	41	6
Clerical, Sales	28	12	22	31	7	33	8	16	32	11	32	15	15	30	8	23	13	13	42	9
Craftsman, Foreman	27	13	21	31	10	34	12	19	26	9	34	12	14	32	9	21	15	15	41	9
Other Manual, Service	31	13	26	27	6	26	10	19	31	15	32	10	24	27	10	20	13	11	43	14
Farmer, Farm Laborer	22	4	36	22	16	27	4	27	11	31	27	9	14	27	23	16	13	5	51	16

Rural	28	9	26	28	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Old Suburb	29	15	22	27	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
New Suburb	24	10	19	34	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
City-1 Family	20	11	19	35	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
City-Multifamily	21	10	33	29	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
City-Apartment	33	12	25	20	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nonmetro-Rural	-	-	-	-	-	26	8	26	18	23	32	6	17	30	15	26	9	6	41	19
-Urban	-	-	-	-	-	41	7	19	25	8	31	10	20	31	9	25	7	15	41	12
Metro-50,000-999,999	-	-	-	-	-	30	10	17	30	15	28	13	22	28	10	18	15	14	47	7
-1,000,000 or Over	-	-	-	-	-	27	10	21	31	14	31	9	19	33	10	15	13	14	45	13
Northeast	21	15	27	30	10	29	11	21	29	17	29	12	23	28	9	13	16	20	38	13
North Central	26	14	21	34	7	32	12	20	27	9	27	9	20	36	10	16	11	9	56	10
South	33	6	22	25	14	29	9	19	23	19	30	11	20	25	14	26	12	13	34	16
West	31	12	23	27	10	29	4	19	38	11	35	8	13	36	8	18	12	11	54	5
Under \$5,000 Family Income	25	9	25	25	19	22	7	24	26	22	23	5	22	28	21	16	9	13	48	15
\$5,000-\$6,999	31	10	26	25	11	22	8	26	29	15	26	9	26	28	12	18	11	14	44	13
\$7,000-\$9,999	25	14	27	24	10	30	8	18	30	16	35	12	19	29	8	21	15	13	41	12
\$10,000-\$14,999	31	12	23	30	7	33	10	17	20	10	30	13	18	33	7	22	15	14	41	8
\$15,000 or Over	29	13	18	35	6	38	14	17	27	8	34	10	16	35	6	19	13	14	46	8
White	28	12	22	31	10	31	10	20	29	12	30	11	19	31	10	20	12	13	45	11
Nonwhite	30	7	30	17	16	23	7	21	24	29	26	7	26	26	18	12	16	16	39	18
No Children in Household	28	10	24	27	12	29	9	20	28	17	28	9	20	32	12	18	11	12	46	13
With Children Under 18	28	13	21	31	8	31	10	19	29	12	32	11	19	29	10	19	14	15	43	10
With Teenagers 12-17	28	12	20	34	9	30	10	21	28	12	31	11	20	28	10	19	15	13	45	10
Own Home	27	11	21	33	10	31	10	18	29	13	28	12	18	35	9	19	12	12	47	11
Rent Home	31	13	26	20	12	27	8	24	27	17	33	7	24	23	14	19	14	15	40	12

TABLE G

Here are Some of the Reasons that People Give Us for Feeling that the Property Tax is Not a Good Tax. Which one of These Do You Feel is the Most Important Reason for Dissatisfaction With the Property Tax?

(in percent)

1. It is hardest on low income families.
2. It is based on estimates of home value that are not always fair.
3. Reassessments may sometimes result in a shocking tax bill increase.
4. It discourages homeownership.
5. It taxes any increase in the value of a home over the original purchase price, even though that increase is only on paper and not in the homeowner's hands unless he sells the house.
6. Property taxes have been going up faster than other taxes.
7. No opinion.
8. Don't agree that property tax is not a good tax.

April 1974

	1.	2.	3.	4.	5.	6.	7.	8.
Total U.S. Public	27	21	6	12	12	12	11	5
Men	26	21	6	14	14	12	8	5
Women	27	21	6	10	11	12	14	4
12-29 Years of Age	24	20	5	16	13	10	11	4
30-39	20	23	3	11	19	12	9	4
40-49	25	25	8	11	14	11	8	4
50-59	29	23	8	10	10	14	10	1
60 Years or Over	33	16	5	9	6	12	14	9
Less Than High School Complete	32	14	5	10	7	12	17	6
High School Complete	25	23	7	15	13	13	7	4
Some College	20	29	7	10	19	10	6	4
Professional	21	23	6	13	21	9	6	4
Managerial	24	29	7	12	20	10	5	2
Clerical, Sales	22	25	8	13	14	11	8	5
Craftsman, Foreman	21	23	9	16	10	12	7	5
Other Manual, Service	29	18	6	12	10	13	15	2
Farmer, Farm Laborer	27	10	1	6	8	5	32	11
Nonmetro-Rural	25	18	4	13	8	6	23	9
-Urban	25	22	5	16	12	12	8	5
Metro-50,000-999,999	24	22	7	11	11	12	10	6
-1,000,000 or Over	29	21	7	11	14	13	9	3
Northeast	24	21	6	14	10	16	11	3
North Central	28	26	7	12	12	8	8	3
South	27	17	6	9	12	11	16	8
West	26	20	6	13	15	13	5	4
Under \$5,000 Family Income	32	16	4	11	8	11	17	7
\$5,000-\$6,999	34	14	3	13	8	11	14	6
\$7,000-\$9,999	30	19	7	11	11	12	9	4
\$10,000-\$14,999	22	25	8	14	13	11	8	3
\$15,000 or Over	19	28	7	11	18	13	6	4
White	25	22	7	12	12	12	9	5
Nonwhite	37	12	2	12	12	8	24	3
No Children in Household	28	20	5	10	11	13	12	5
With Children Under 18	24	22	7	13	13	10	10	4
With Teenagers 12-17	24	26	6	11	13	10	11	4
Own Home	25	24	8	10	13	13	8	5
Rent Home	30	16	3	16	10	9	16	4

TABLE H

Here are Three Statements About Taxes. Which of the Statements Agrees Most with Your Own Thinking?
(in percent)

1. The Federal government should start a value added tax (a form of national sales tax) and use the money to help reduce local property taxes.
2. The Federal government should not start a value added tax (a form of national sales tax) but should raise individual income taxes to help reduce local property taxes.
3. The Federal government should take neither of these actions to help reduce local property taxes.
4. Don't know.

March 1972

	1.	2.	3.	4.
Total U.S. Public	32	14	44	10
Men	35	17	40	8
Women	29	11	48	12
18-29 Years of Age	32	13	48	7
30-39	30	14	47	9
40-49	32	11	46	11
50-59	28	16	47	9
60 Years or Over	34	15	34	17
Less Than High School Complete	31	15	39	15
High School Complete	32	12	48	8
Some College	32	15	48	5
Professional	29	16	48	7
Managerial	30	13	52	5
Clerical, Sales	35	12	44	9
Craftsman, Foreman	31	11	48	10
Other Manual, Service	32	13	44	11
Farmer, Farm Laborer	38	5	37	20
Nonmetro-Rural	25	11	47	17
-Urban	33	10	48	9
Metro--50,000--999,999	33	14	47	6
-1,000,000 or Over	31	16	40	13
Northeast	30	17	39	14
North Central	35	13	44	8
South	28	12	49	11
West	35	14	43	8
Under \$5,000 Family Income	32	15	39	14
\$5,000--\$6,999	29	17	42	12
\$7,000--\$9,999	29	14	47	10
\$10,000--\$14,999	36	12	46	6
\$15,000 or Over	31	14	48	7
White	32	14	45	9
Nonwhite	26	17	38	19
No Children in Household	33	13	42	12
With Children Under 18	30	14	47	9
With: Teenagers 12-17	30	13	46	11
Own Home	33	14	44	9
Rent Home	29	15	44	12

TABLE I

A. Suppose the Federal Government Must Raise Taxes Substantially, Which of These do You Think Would be the Best Way to Do It? **B. Which Do You Think Would be the Next Best Way?**

(in percent)

1. Collect a value added tax (VAT), a form of national sales tax on things other than food and similar necessities.
2. Raise individual income tax rates.
3. Raise money by reducing special tax treatment for capital gains and cutting tax deduction allowances for charitable contributions, state and local taxes, medical expenses, etc.
4. Don't know.

	March 1972 - A				March 1972 - B			
	1.	2.	3.	4.	1.	2.	3.	4.
Total U.S. Public	34	10	40	16	29	18	27	26
Men	34	12	40	14	30	19	28	23
Women	34	7	40	19	28	16	27	29
18- 29 Years of Age	35	10	45	10	36	20	29	15
30--39	33	12	41	14	27	21	32	20
40--49	33	8	45	14	35	12	27	26
50--59	36	10	36	18	24	16	28	32
60 Years or Over	31	10	32	27	20	19	21	40
Less Than High School Complete	29	9	37	25	26	16	21	37
High School Complete	38	8	43	11	31	18	32	19
Some College	36	13	42	9	31	21	32	16
Professional	41	12	38	9	28	23	33	16
Managerial	36	9	39	16	27	19	28	26
Clerical, Sales	36	6	47	11	31	16	31	22
Craftsman, Foreman	33	9	44	14	31	15	29	25
Other Manual, Service	30	10	41	19	30	16	27	27
Farmer, Farm Laborer	34	12	37	17	38	18	20	24
Nonmetro-Rural	31	5	39	25	33	11	25	31
-Urban	39	7	37	17	26	16	29	29
Metro-50,000-999,999	36	10	42	12	30	20	29	21
-1,000,000 or Over	31	11	40	18	28	18	26	28
Northeast	28	12	41	19	28	19	24	29
North Central	36	11	39	14	29	20	29	22
South	33	8	38	21	27	16	25	32
West	40	7	44	9	32	16	34	18
Under \$5,000 Family Income	30	9	37	24	26	17	22	35
\$5,000-\$6,999	32	10	41	17	30	20	22	28
\$7,000-\$9,999	32	9	40	19	26	18	26	30
\$10,000-\$14,999	36	10	43	11	31	16	33	20
\$15,000 or Over	38	9	43	10	35	18	31	16
White	34	9	41	16	29	18	28	25
Nonwhite	28	11	38	23	23	13	26	38
No Children in Household	33	9	38	20	27	17	25	31
With Children Under 18	35	10	42	13	31	18	30	21
With Teenagers 12-17	34	9	42	15	31	17	29	23
Own Home	36	9	40	15	29	17	28	26
Rent Home	31	11	39	19	28	19	26	27

Table J

Many of Our Major Central Cities are Experiencing Financial Difficulty. Would You Favor or Oppose Special Federal Aid for These Central Cities?

(in percent)

	March 1976		
	Favor	Oppose	No Opinion
Total U.S. Public	48	40	12
Men	47	45	8
Women	49	37	14
18-29 Years of Age	56	35	9
30-39	48	42	10
40-49	46	45	9
50-59	46	41	13
60 Years or Over	41	42	17
Less Than High School Complete	46	37	17
High School Complete	49	41	10
Some College	49	45	6
Professional	53	42	5
Managerial	45	45	10
Clerical, Sales	47	39	14
Craftsman, Foreman	49	40	11
Other Manual, Service	52	39	9
Farmer, Farm Laborer	29	45	26
Rural	33	55	12
Old Suburb	46	42	12
New Suburb	41	48	11
City - 1 Family	50	40	10
City - Multifamily	70	19	11
City - Apartment	72	20	8
Northeast	70	22	8
North Central	43	47	10
South	39	46	15
West	44	44	12
Under \$5,000 Family Income	46	38	16
\$5,000-\$6,999	52	36	12
\$7,000-\$9,999	49	37	14
\$10,000-\$14,999	43	43	9
\$15,000 or Over	48	44	8
White	47	43	10
Nonwhite	60	19	21
No Children in Household	46	42	12
With Children Under 18	50	39	11
With Teenagers 12-17	50	39	11
Own Home	44	45	11
Rent Home	56	31	13

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what is ACIR?

The Advisory Commission on Intergovernmental Relations (ACIR) was created by the Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. ACIR is a permanent national bipartisan body representing the executive and legislative branches of Federal, state, and local government and the public.

The Commission is composed of 26 members—nine representing the Federal government, 14 representing state and local government, and three representing the public. The President appoints 20—three private citizens and three Federal executive officials directly and four governors, three state legislators, four mayors, and three elected county officials from states nominated by the National Governors' Conference, the Council of State Governments, the National League of Cities/U.S. Conference of Mayors, and the National Association of Counties. The three Senators are chosen by the President of the Senate and the three Congressmen by the Speaker of the House.

Each Commission member serves a two year term and may be reappointed.

As a continuing body, the Commission approaches its work by addressing itself to specific issues and problems, the resolution of which would produce improved cooperation among the levels of government and more effective functioning of the federal system. In addition to dealing with the all important functional and structural relationships among the various governments, the Commission has also extensively studied critical stresses currently being placed on traditional governmental taxing practices. One of the long range efforts of the Commission has been to seek ways to improve Federal, state, and local governmental taxing practices and policies to achieve equitable allocation of resources, increased efficiency in collection and administration, and reduced compliance burdens upon the taxpayers.

Studies undertaken by the Commission have dealt with subjects as diverse as transportation and as specific as state taxation of out-of-state depositories; as wide ranging as substate regionalism to the more specialized issue of local revenue diversification. In selecting items for the work program, the Commission considers the relative importance and urgency of the problem, its manageability from the point of view of finances and staff available to ACIR and the extent to which the Commission can make a fruitful contribution toward the solution of the problem.

After selecting specific intergovernmental issues for investigation, ACIR follows a multistep procedure that assures review and comment by representatives of all points of view, all affected levels of government, technical experts, and interested groups. The Commission then debates each issue and formulates its policy position. Commission findings and recommendations are published and draft bills and executive orders developed to assist in implementing ACIR policies.