

Arkansas voters weigh in on

INCOME TAX REFORM

— SEPTEMBER 2023 —



OPPORTUNITYARKANSAS.ORG



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KEY FINDINGS

- ◆ **Nearly two-thirds of all Arkansas voters support using a portion of the state's \$1.2 billion budget surplus to reduce income taxes, with widespread support across the political spectrum.**
- ◆ **When given a choice of how to allocate the state's budget surplus, Arkansas voters overwhelmingly select reducing income tax rates over other surplus priorities.**
- ◆ **A majority of Arkansas voters—by a more than two-to-one majority—support dedicating a portion of future budget surpluses to phasing out Arkansas's state income tax.**
- ◆ **Key facts—like helping recruit good-paying jobs, helping small businesses, and helping struggling families—increase support for income tax phaseout even more.**
- ◆ **Overall, Arkansans favor eliminating the state income tax by a roughly two-to-one margin.**

Arkansans support

USING SURPLUS DOLLARS TO LOWER INCOME TAX RATES

- Arkansas recorded a nearly \$1.2 billion budget surplus at the end of the most recent fiscal year, the third consecutive year with a billion dollar surplus or more. Arkansans support **returning these excess funds to taxpayers by reducing the state income tax.**

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	77%	50%	64%	65%
OPPOSE	12%	28%	16%	18%
UNSURE	10%	23%	19%	17%

- Arkansas voters support **using the surplus for income tax cuts** above other spending priorities.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
REDUCING STATE INCOME TAXES	58%	29%	45%	45%
EDUCATION	19%	45%	23%	28%
THE STATE'S RAINY DAY FUND	11%	3%	11%	9%
UNSURE	12%	23%	21%	18%

- Arkansas voters support **using future budget surpluses for additional income tax relief, pushing Arkansas closer to phasing out the income tax.**

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	63%	43%	50%	53%
OPPOSE	17%	30%	22%	22%
UNSURE	21%	28%	28%	25%

Arkansans support

PHASING OUT THE STATE INCOME TAX

- Arkansas voters support **phasing out the state income tax.**

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	62%	34%	49%	49%
OPPOSE	19%	38%	21%	25%
UNSURE	20%	28%	30%	26%

Arkansans are more likely to support PHASING OUT THE STATE INCOME TAX WHEN THEY KNOW...

5. It would **bring more good-paying jobs** to Arkansas.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	77%	58%	62%	66%
LESS LIKELY	11%	26%	14%	16%
UNSURE	12%	16%	24%	17%

6. It would **help small businesses** expand and hire more workers.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	78%	53%	61%	65%
LESS LIKELY	11%	35%	16%	20%
UNSURE	11%	11%	23%	15%

7. It would **help struggling Arkansas families** pay their bills.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	65%	62%	58%	62%
LESS LIKELY	17%	24%	18%	19%
UNSURE	18%	13%	24%	19%

8. Arkansas has **lost more than \$750 million** in wealth to Tennessee and Florida over the last 30 years, both of which have no state income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	73%	47%	61%	62%
LESS LIKELY	11%	33%	18%	20%
UNSURE	15%	20%	21%	18%

9. It would help attract and retain more workers.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	70%	53%	54%	60%
LESS LIKELY	15%	32%	16%	20%
UNSURE	15%	14%	30%	20%

10. Neighboring states are also significantly cutting their income taxes.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	76%	46%	54%	60%
LESS LIKELY	11%	36%	22%	22%
UNSURE	13%	19%	23%	18%

11. Residents of Texarkana, Arkansas, already pay no state income taxes because of their proximity to Texas, which has no income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	72%	47%	56%	59%
LESS LIKELY	17%	38%	21%	24%
UNSURE	11%	15%	23%	16%

12. Neighboring states Tennessee and Texas have no state income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	70%	44%	48%	55%
LESS LIKELY	16%	34%	26%	25%
UNSURE	14%	22%	26%	20%

13. Workers are paying more in taxes than the state government needs in order to operate.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
MORE LIKELY	60%	43%	47%	51%
LESS LIKELY	16%	32%	24%	23%
UNSURE	25%	25%	29%	26%

Arkansans support

COMMONSENSE STRATEGIES TO PHASE OUT THE INCOME TAX

14. Arkansans support **reducing the size of the state government and cutting costly bureaucrat salaries** when they learn that doing so would enable Arkansas to phase out its state income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	76%	44%	61%	62%
OPPOSE	11%	35%	17%	20%
UNSURE	13%	21%	22%	18%

15. Arkansans support **eliminating unnecessary government functions** when they learn that doing so could help phase out the state income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	68%	47%	55%	57%
OPPOSE	11%	31%	16%	18%
UNSURE	21%	22%	29%	24%

16. Arkansas has several exemptions to its state sales tax for certain businesses and industries. Arkansans support **eliminating these exemptions** when they learn that doing so could help phase out the state income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	55%	47%	48%	50%
OPPOSE	14%	28%	16%	19%
UNSURE	31%	25%	36%	31%

17. Arkansans support **increasing taxes on nicotine products** when they learn that doing so could help phase out the state income tax.

	REPUBLICANS	DEMOCRATS	INDEPENDENTS	ALL VOTERS
SUPPORT	56%	50%	46%	51%
OPPOSE	28%	32%	29%	30%
UNSURE	16%	18%	25%	20%

DEMOGRAPHICS

PARTY AFFILIATION

37% GOP	29% DEM	34% IND
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AGE

35% 18-44	36% 45-64	30% 65+
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GENDER

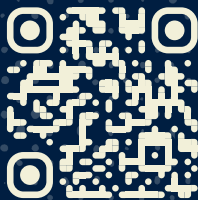
47% MALE	53% FEMALE
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CALL METHOD

79% IVR	21% LIVE
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Results for this poll were collected by Opportunity Arkansas Foundation using an independent polling firm. The questions utilized an IVR and live call survey from a statewide sample of 455 likely Arkansas voters, conducted August 28-31, 2023, with a margin of sampling error of ± 4.59 percentage points. The margin of sampling errors may be higher for subgroups. Results presented may not always appear to total 100 percent due to rounding. Data were post-stratified using weighted demographic information from the U.S. Census Bureau's Current Population Survey Voting and Registration Supplement and the state election authorities. Demographic information for actual voters in past elections was used to construct sample target weights. Opportunity Arkansas Foundation paid for all costs associated with this survey.

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