

The California Tax Revolt (tentative title)

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OVERVIEW

This book has three main foci: (1) an historical account of the ongoing tax revolt in California, including relevant comparisons of events in that state with the national political context, (2) the development of a theoretical account of how voters make choices on tax limitation issues, and in so doing help determine the size of the public sector, and (3) empirical tests of more general socio-psychological hypotheses about the roles of self-interest and ideology in public opinion and voting behavior.

The book is based largely upon the results of a number of public opinion surveys. It rests mainly on a statewide survey conducted by the authors themselves and a series of California Poll studies, with some comparative use of national surveys conducted by the University of Michigan, Gallup, Harris et al.

CHAPTER-BY-CHAPTER OUTLINE

I. Introduction

With the passage of Proposition 13 in 1978, California entered into an era of plebiscitary budgeting in which the locus of authority over crucial governmental decisions passed from the state's elected representatives to the voters themselves. This "tax revolt" has been thought by many observers to foreshadow similar developments in other states, and especially at the federal level.

This introductory chapter traces the history of attempts to limit taxes and spending in California between 1968 and 1980, pointing out the institutional, economic, and political factors that fueled the tax revolt. The focus will be especially upon Proposition 13 (1978: property tax cut), Proposition 4 (1979: limitation on state spending), both of which passed, and Proposition 9 (1980: income tax cut), which failed. Having done this, the chapter lists a series of popular explanations for why the tax revolt emerged when it did and for its success between 1978 and 1980. These explanations differ in attributing causal significance to factors such as: the size and shape of the tax burden, hostility to government spending, opposition to the supply of certain government services, perceptions of governmental waste and

inefficiency, general economic factors such as inflation, and such longstanding political attitudes as mistrust of government, conservatism, and racial prejudice. Particular attention will be paid to the idea that people decide how to vote after calculating the tradeoff between taxes saved and services lost in the event of the passage of a tax limitation or tax cutting measure.

These general accounts of the origins and meaning of the tax revolt are then linked to more general social science explanations of political behavior. In this context a distinction is drawn between behavior based upon personal self-interest and choices that are based upon more generalized beliefs and values that are independent of one's personal situation in an objective sense.

The chapter then briefly contrasts the successful Proposition 13 with the unsuccessful Proposition 9 and proposes hypotheses to explain the difference.

II. Parameters of the tax revolt

This chapter is largely descriptive of public opinion. It lays out the extent to which people have supported various tax and spending limitation measures in recent years, as well as providing evidence concerning the intensity of their involvement in this issue. The degree to which the "tax revolt army" is representative of the citizenry as a whole is briefly addressed. The chapter then turns to attitudinal aspects of the tax revolt and lays out opinions on taxes, spending, services, the competence and trustworthiness of government, and so on. A comparison of the California and national data on this point is included.

III. Something for nothing?

Is there a tradeoff between willingness to pay taxes and support for public services?

In this chapter the relationships between the various attitudinal elements of the tax revolt are explored. How do people link their attitudes toward taxes, spending, public services, and toward the quality of government? Can we identify a "tradeoff" vote and how is its identification made? The chapter essentially tests whether or not voters' attitudes on these dimensions were reasonably internally consistent, as opposed to wanting "something for nothing."

IV. The social basis of tax revolt

This chapter simply provides the demographic correlates of support for and opposition to the tax revolt, with particular attention to trends over time in the difference among groups. The evidence is then linked to conventional accounts of the tax revolt as an upperclass phenomenon, a movement of the lower middle class, etc.

This chapter tests the extent to which people's votes on such measures as 13 and 9 are self-interested. A number of such groups is identified, such as property and income taxpayers, service recipients, and government employees. Variations in their support and opposition to the taxing and spending issues in question are analyzed. The relative size and cohesiveness of the pro- and anti-tax coalitions is considered. More basic questions about the cognitive consequences of self-interest are analyzed, particularly the extent to which it promotes "schematic" or ideological thinking as opposed to narrowly selfish goals.

VI. Political identification and the vote

Here we assess the idea that the tax revolt represents a fundamental drift toward conservatism and an anti-racist official posture. How do these general orientations govern responses to specific taxing and spending measures? Again the roles of cognitive schemas in promoting ideological thinking will be analyzed, and their consequences for the political effectiveness of the pro- and anti-tax coalitions assessed.

VII. Theoretical synthesis

Tying self-interest and the attitudinal explanatory variables in a way that takes into account their relationships. Disentangling the direct and indirect influences among these variables so as to achieve a full yet maximally parsimonious account of sympathy for the tax revolt, and voting on each proposition.

VIII. Why Proposition 13 won and Proposition 9 lost, and a look at the future

The argument will be made that the victory of 13 and loss of 9 can be explained by looking at the same set of factors that enter the voters' calculus but had different weights in the two elections -- e.g., the size of the surplus, expectations about the surplus, the perceived tax savings, etc.

This can then lead into discussions concerning the persistence of anti-tax sentiments in California, and the possibility that where California leads, the rest of the country may not be far behind. One major conclusion will be that relatively severe inflationary pressures mixed with unchanged tax laws produce imbalances leading to serious public discontent. Hence pressure for further action both in California and at the federal level.