Minneapolis Employer

Common Cents Workshop Summary (Tax Reform)

Location: Minneapolis, MN  
Date: September 27, 2012  
Number of Attendees: 29

Workshop Highlights

- Businesses don’t pay the taxes. Consumers do. I was told by politicians that corporate taxes are to fool people and still make them pay.
- The value of my taxes is not about what I get, but that our dollars are used widely.
- Does raising taxes on everybody discourage people from supporting organizations that give back to society? We lose or win?
- From some good costs, revenue goes out of state or back in. This is an incentive to guy local.

Participants wrote these comments:

- I gained insights during discussion about different perspectives on taxes.
- Learned about the level of corp. taxes, who bears tax burdens, and the impact of deductions/exemptions.
- Politicians should reduce government cost, and force efficiency and effectiveness of education and health care.
- Politicians should treat deductions and credits as spending items rather than reduction of revenue.
- Don't implement a new program merely because of a budget surplus.
- I would have liked more time for discussion. It seems very difficult to find an overall agreement on any issue.
- Businesses pass along their tax expense to consumers by increasing the price of their product. The “business tax” paid by individuals includes this. Have you looked at the portion of the business tax paid to Minnesota businesses (and thus paying MN taxes)? I dislike paying other states’ taxes.
- Politicians should limit the amount of the home mortgage interest reduction! Keep it, but limit the amount of the deduction.
- There was not much time for discussion.
- Politicians, get out of your party’s agenda and do what is rational and makes sense for MN.
- Are politicians taking this information or because there are more liberals participating are they going to perceive these discussions as mostly the MPR crowd…….
- I appreciate what the Citizens League is doing.
- Good discussion points, interesting.
- Learned about effect of total tax burden on lower-income.
- It is important to address problems and not simply push the problem to a future period.
- $150,000 is not rich.
- Learned about the historical trends of MN taxes
- Citizens input needs to be sought and used in budget discussion.
- There should be more education to the public about the real tax info and spending of the government so rumors are not used for bias decision.
- Workshop was excellent! Learned a lot!
- Politicians should listen to the tax-payers!
- This was a solid presentation with tangible numbers to give perspective and information.

**Poll Results**

**Q1. When you think about your overall state and local tax burden, how fair do you think it is?**

- Mostly fair, but I’d like to see a few changes: 65%
- Not very fair — we need significant changes: 14%
- Not fair at all — we need a major tax system overhaul: 7%
- As fair as it can possibly be: 7%
- Not sure: 7%

**Q2. What does “tax reform” mean to you? (select two)**

- Ensuring that tax dollars are used wisely and effectively: 37%
- Making the system simpler: 7%
- Making it clearer how tax dollars are used: 2%
- Making sure the rules are the same for all people: 4%
- Making the system of who pays more fair: 11%
- Scaling back government spending so we are taxed less: 17%
- Finding a way to increase taxes to support MN's quality of life: 9%
- Making sure that taxes don’t discourage economy: 11%
- Other: 2%
Q3. What do you think is most important in deciding whether a tax burden is fair? (select two)

- How much people can afford to pay: 14%
- Whether we get enough value for what we pay: 19%
- How much Minnesotans pay compared to others: 11%
- If it limits the role and size of government: 11%
- How much taxes contribute to MN's quality of life: 18%
- Whether taxes are used by the people who pay: 9%
- How much someone pays compared to others: 16%
- Other: 2%

Q4. In your view, how should the tax burden be shared?

- Everyone should pay the same proportion of their income in total taxes: 35%
- Those who earn more should pay a greater percentage: 28%
- What we have now is about right: 17%
- Taxes paid as a percentage of income isn't the right way to look at it--total taxes paid is: 17%
- Other: 3%
They should be significantly reduced or eliminated by 10%.
The legislature should consider tax expenditures just as they consider spending to balance the budget by 73%.
Nothing—they they seem appropriate by 10%.
Nothing—they are not the highest priority by 7%.

Q6. What is your gender?

Female: 32%
Male: 68%

Q7. How old are you?

19–35: 39%
36–50: 25%
51–65: 32%
65+: 4%
Table Exercise: Tax Reform Principles

Allocate ten chips in no more than five boxes. Aggregate of all tables – percentage of chips

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>White or Caucasian (non-Hispanic)</td>
<td>89%</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>4%</td>
</tr>
<tr>
<td>Multiracial</td>
<td>4%</td>
</tr>
<tr>
<td>Asian</td>
<td>3%</td>
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<table>
<thead>
<tr>
<th>Political Leanings</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Liberal</td>
<td>36%</td>
</tr>
<tr>
<td>Conservative</td>
<td>18%</td>
</tr>
<tr>
<td>Libertarian</td>
<td>11%</td>
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<tr>
<td>Moderate</td>
<td>18%</td>
</tr>
<tr>
<td>Mix</td>
<td>3%</td>
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<table>
<thead>
<tr>
<th>Income Statements</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I'm financially comfortable and have few worries</td>
<td>29%</td>
</tr>
<tr>
<td>It's hard to make ends meet each month.</td>
<td>14%</td>
</tr>
<tr>
<td>I'm reasonably comfortable with my income— for now</td>
<td>57%</td>
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</table>
1. Use the tax system to continue to ensure that there are not big disparities across communities.

2. Continue to give special considerations to seniors, working families and the poor.  

3. It doesn't matter how we reform the tax system if we don't also reduce the overall tax burden.

4. Distribute the overall tax burden fairly.

5. Make it simple.

6. I want to know where my money is going.

7. The tax system should support job creation and economic growth.

8. Revenues are stable over the long run

9. We don't pass on the tax burdens to the next generation.

10. Taxes provide enough to maintain a high quality of life.

11. Other: Emphasis should be on making government more efficient. Worry less about a new tax “model” and more about saving costs and realizing efficiencies.

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Participant Evaluation of Workshop  
(Average of all participant surveys)

1.) **Did you enjoy participating in today’s discussion?**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>3.7</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>A little</td>
<td>Somewhat</td>
<td>A great deal</td>
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2.) **How much did you learn from the information presented today?**

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3.) **How much did the table discussion help you think through the issues?**

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4.) **Based on today's discussion, do you think that the budget decisions made by policy makers would improve if the listen to what the public has to say?**

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