City of Cupertino

Business License Ballot Measure Surveys

July 2018 | Summary of Findings

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Overview and Objectives

The City of Cupertino commissioned Voxloca to conduct a survey of Cupertino residents using our modern surveying methodology that allows organizations to quickly reach residents or voters and obtain a statistically valid sample of public opinion.

Voxloca conducted two surveys on two different versions of the business license ballot measure between July 16 and July 24, 2018. The survey tested:

- support for specific language regarding a business license tax in Cupertino
- impact on support given common criticisms of the business license tax

Survey Methodology

Surveys were administered using our unique technology that approaches residents by both SMS text and email. If a likely voter had both an email address and a wireless phone number on file then they may receive the survey from both methods.

The method that had the highest response rate was SMS text. The initial text looked like this:

> The City of Cupertino is considering an increase in the business license tax. We'd like your opinion. Will you answer 8 questions, starting with a possible ballot measure? It'll just take a few minutes.
>
> Please reply yes or no.
>
> - Amy Chan, City Manager

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We targeted likely voters in the upcoming November election. After weighting the model to create a likely November turnout, the overall sample size was reduced from the 636 total responses.

Surveys were distributed continuously between July 16 and July 24.

Data Collection	Surveys administered via SMS text and email
Universe	Likely November voters
Fielding Dates	July 16 to July 24, 2018
Sample Size	Language A: n=250 (weighted) Language B: n=262 (weighted)
Margin of Error	Language A: +/- 6.2% Language B: +/- 6.0%

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Summary of Findings for Business License Surveys

We tested two possible ballot questions. Ballot Measure Language A included specific information about the business license tax. Ballot Measure Language B was simpler and contained general information about the tax. For each ballot question, we asked the same five questions: two positive statements about the business license tax, two negative statements, and a multiple choice question asking respondents to pick the most important factor for them as they consider the tax. Then, we asked voters to reconsider the original tax question.

Our methodology was designed to mirror the arguments voters may hear over the next few months should the council decide to place a measure on the November ballot. Here are some key highlights:

- In the survey, Cupertino voters prefer the additional information provided by Ballot Measure Language A over the more general information in Ballot Measure Language B.

- Initially voters supported Ballot Measure Language A by a narrow margin of 48-42[1]. At the end of the survey, support increased to 54-37.

- Ballot Language Measure B which contained general tax information saw little movement in support during the survey. The initial question showed 49-44 in favor of the tax. The final question had 50-41 supporting the tax with undecided voters increasing slightly.

- Question #2 demonstrates that Cupertino voters are compelled by the argument that businesses should pay for transportation improvements (Language A: 68-28, Language B: 61-35) and Question #4 shows that survey respondents agree that large companies should pay more than small businesses (Language A:69-23, Language B: 64-27).

- Question #3 highlights a major concern for Cupertino voters. More than a supermajority are concerned that the business license tax won't fund a specific transit solutions and actually alleviate traffic (Language A: 68-19, Language B: 72-19). Question #5 shows fewer voters, but a combined majority are concerned about a tax that might threaten Cupertino's long-term economic stability and growth (Language A: 46-48, Language B: 56-39).

- Question #6 reflects the concerns raised by Questions #3 and #5. We combined both surveys to identify the most prominent concerns for Cupertino voters. The spreadsheet below demonstrate the top three issues related to the business license tax are: a

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[1] All numbers highlighted in the narrative combine **Definitely Yes** with **Probably Yes** and **Definitely No** with **Probably No**.

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well-designed spending plan (30 percent), long-term economic stability and growth (26%), and protecting small businesses (17 percent).

Language A & B Combined Question #6	Count	Percent
That employers pay their fair share	49	10%
A well-designed spending plan	151	30%
Long-term economic stability and growth	131	26%
Protecting small businesses	85	17%
Accountability	55	11%
Other	35	6%

The response rate for the survey was approximately 8 percent, demonstrating that Cupertino has an engaged electorate. Also, the low undecided numbers on each question suggests that on this issue Cupertino residents are highly aware.

Cupertino residents also seem to desire more information, as evidenced by the more positive numbers for Ballot Measure Language A over Ballot Measure Language B. If the City Council decides to place a measure on the ballot, Cupertino residents will likely welcome additional information from the City itself or external sources like local organizations, the media, and campaigns.

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Results of Findings for Business License Language A Survey

Question 1

Shall the measure to fund priorities such as infrastructure to reduce traffic congestion in Cupertino by imposing a yearly general business license tax of $150 to $500 per business, plus a progressively increasing per-employee rate of $50 (100+ employees) to $425 (5,000+ employees), replacing the existing square footage-based business license tax, raising about $10 million yearly for general fund purposes, effective until voters amend or appeal it, with annual audits, be adopted?

Definitely Yes	26%
Probably Yes	22%
Probably No	17%
Definitely No	25%
Undecided	10%

Question 2

Some say that it is only fair to increase what businesses pay to fund transportation improvements in Cupertino, since businesses that bring thousands of employees into the city every day contribute to our traffic. Do you agree?

Definitely Yes	45%
Probably Yes	23%
Probably No	10%
Definitely No	18%
Undecided	4%

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Question 3

Some say that this is a general tax measure with no specific transit solution. It's a blank check with no guarantee the tax will help alleviate traffic. Do you agree?

Definitely Yes	38%
Probably Yes	30%
Probably No	11%
Definitely No	8%
Undecided	13%

Question 4

Some say the proposed employer tax is structured to be fair; large businesses that have a greater impact on our community will be taxed at higher rates than small businesses who have fewer than 100 employees and have less of an effect on local services. Do you agree?

Definitely Yes	37%
Probably Yes	32%
Probably No	8%
Definitely No	15%
Undecided	8%

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Question 5

Some say that a tax on jobs may threaten long-term economic stability and growth in Cupertino. Do you agree?

Definitely Yes	25%
Probably Yes	21%
Probably No	26%
Definitely No	22%
Undecided	6%

Question 6

In considering this proposed business license tax measure, the most important factor for me is:

That employers pay their fair share	10%
A well-designed spending plan	31%
Long-term economic stability and growth	19%
Protecting small businesses	22%
Accountability	12%
Other	6%

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Question 7

Here's the original question for you to consider again. Shall the measure to fund priorities such as infrastructure to reduce traffic congestion in Cupertino by imposing a yearly general business license tax of $150 to $500 per business, plus a progressively increasing per-employee rate of $50 (100+ employees) to $425 (5,000+ employees), replacing the existing square footage-based business license tax, raising about $10 million yearly for general fund purposes, effective until voters amend or appeal it, with annual audits, be adopted?

Definitely Yes	27%
Probably Yes	27%
Probably No	13%
Definitely No	24%
Undecided	9%

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Results of Findings for Business License Language B Survey

Question 1

Shall the measure to fund priorities such as infrastructure to reduce traffic congestion in Cupertino by imposing a yearly business license tax of $8 to $392 per employee, on average, with larger companies paying more per employee, replacing the existing square footage-based business license tax with no changes to provisions for particular businesses taxes, generating about $10 million yearly for general fund purposes, until ended by voters, with independent yearly audits, be adopted?

Definitely Yes	26%
Probably Yes	23%
Probably No	18%
Definitely No	26%
Undecided	7%

Question 2

Some say that it is only fair to increase what businesses pay to fund transportation improvements in Cupertino, since businesses that bring thousands of employees into the city every day contribute to our traffic. Do you agree?

Definitely Yes	36%
Probably Yes	25%
Probably No	16%
Definitely No	19%
Undecided	4%

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Question 3

Some say that this is a general tax measure with no specific transit solution. It's a blank check with no guarantee the tax will help alleviate traffic. Do you agree?

Definitely Yes	38%
Probably Yes	34%
Probably No	12%
Definitely No	7%
Undecided	9%

Question 4

Some say the proposed employer tax is structured to be fair; large businesses that have a greater impact on our community will be taxed at higher rates than small businesses who have fewer than 100 employees and have less of an effect on local services. Do you agree?

Definitely Yes	39%
Probably Yes	25%
Probably No	12%
Definitely No	15%
Undecided	9%

Question 5

Some say that a tax on jobs may threaten long-term economic stability and growth in Cupertino. Do you agree?

Definitely Yes	31%
Probably Yes	25%
Probably No	21%
Definitely No	18%
Undecided	5%

Question 6

In considering this proposed business license tax measure, the most important factor for me is:

That employers pay their fair share	9%
A well-designed spending plan	29%
Long-term economic stability and growth	33%
Protecting small businesses	12%
Accountability	10%
Other	7%

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Question 7

Here's the original question for you to consider again. Shall the measure to fund priorities such as infrastructure to reduce traffic congestion in Cupertino by imposing a yearly business license tax of $8 to $392 per employee, on average, with larger companies paying more per employee, replacing the existing square footage-based business license tax with no changes to provisions for particular businesses taxes, generating about $10 million yearly for general fund purposes, until ended by voters, with independent yearly audits, be adopted?

Definitely Yes	23%
Probably Yes	27%
Probably No	15%
Definitely No	26%
Undecided	9%

Appendix A

Below is a summary of the questions that had Yes or No answers. To calculate the mean, we assigned a "Yes" response a value of 1 and a "No" response a value of -1.
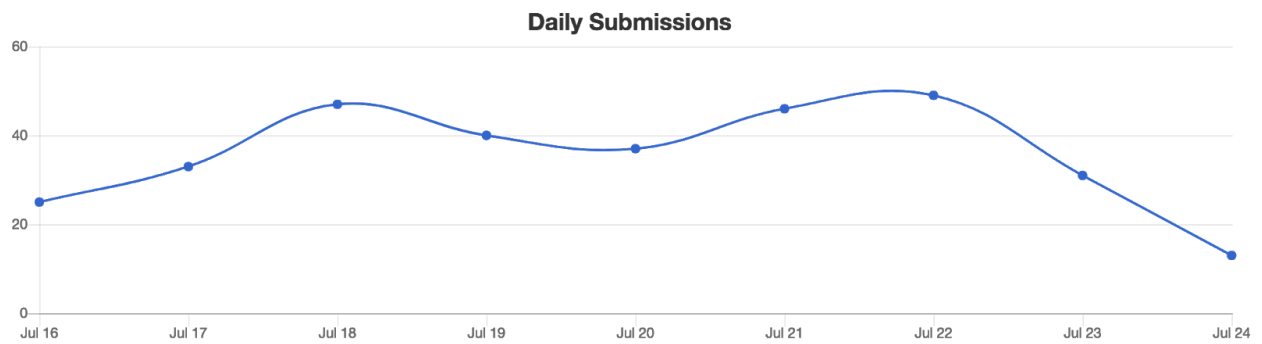
Ballot Language A	Mean	+/-	Yes	No	Undecided
Shall the measure to fund priorities such as infrastructure to reduce...	0.1	0.06	122	106	23
Some say that it is only fair to increase what businesses pay to fund...	0.7	0.06	172	69	10
Some say that this is a general tax measure with no specific transit...	0.8	0.05	171	48	32
Some say the proposed employer tax is structured to be fair; large...	0.7	0.06	175	55	21
Some say that a tax on jobs may threaten long-term economic stability...	0.0	0.06	116	120	15
Here's the original question for you to consider again. Shall the...	0.2	0.06	136	94	21

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Ballot Language B	Mean	+/-	Yes	No	Undecided
Shall the measure to fund priorities such as infrastructure to reduce...	0.1	0.06	132	111	18
Some say that it is only fair to increase what businesses pay to fund...	0.4	0.06	158	91	12
Some say that this is a general tax measure with no specific transit...	0.9	0.05	187	47	27
Some say the proposed employer tax is structured to be fair; large...	0.6	0.06	168	71	22
Some say that a tax on jobs may threaten long-term economic stability...	0.3	0.06	146	100	15
Here's the original question for you to consider again. Shall the...	0.1	0.06	131	108	22

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Appendix B

Daily Submissions of Survey Responses

Language A

Daily Submissions

Language B

Daily Submissions

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