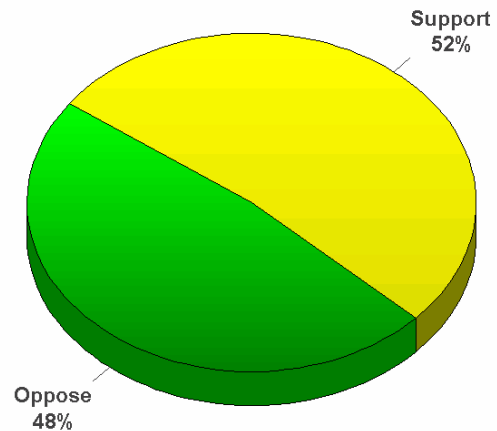


### State Sales Tax Increase?

A coalition of business and economic development advocates have put together a proposal to add 1% to the State sales tax to fund freeways, roads, transit, and rail lines throughout the State over the next 30 years. The Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor asked Arizona small businesses whether they support or oppose this proposal.

We found an extremely divided electorate: 52% support the proposal while 48% oppose it. According to the director of the poll, Dr. Michael O'Neil,



*“This measure was taken very, very early in what likely will be a major campaign. As such, the near 50/50 split reflects a fair assessment of the ‘starting point’ for this initiative. We expect a very well-funded and highly organized campaign in support of this initiative. If the past has proven predictive, opponents will be highly vociferous, but far less well-funded. The opposition, however, has a typical advantage in that opponents of new initiatives, particularly those involving tax increases. They do not have to beat proponents of such proposals “fair and square.” Rather, they only have to plant seeds of doubt. Such seeds can be planted with any number of arguments: ‘we already pay too much in taxes,’ ‘the balance of transit to freeways is inappropriate,’ ‘the plans are not specific enough,’ or ‘the plans are too specific and I don’t like them.’ When all else fails, they may launch an attack on the amorphous ‘them,’ who are reputed to be behind this, and any number of other nefarious schemes to separate the public from its hard-earned wages.”*

In light of all this, what these figures show us is that a campaign to fund a major, long-term transportation initiative through a sales tax is likely to be hard fought and competitive.

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These results are taken from the Q2 **Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor**. This project provides insights to support business leaders in companies of all sizes to make key economic decisions, as well as sharing small business attitudes on major political issues. **O'Neil Associates**, a national public opinion research firm based in Tempe, sent surveys to ASBA's membership of 3,000 small businesses across the state in late June as it did at the end of Q1 2008. The survey covered a wide range of economic issues, including business performance, revenue and job growth, and overall business confidence ratings. Results provide insights into the perceptions of business owners on the economic health and vitality of the Arizona economy. The survey has a margin of error (at the 95% confidence level) of approximately +/-6%. Silver State Bank President Mike Thorell said: "This release continues our efforts to inform the business community about significant economic, social and political trends affecting Arizona".  
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**Results of this survey may be cited freely with the proviso that they be cited as the "Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor"**

The Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor is made possible by a cooperative effort of

- **Silver State Bank** is Nevada's largest small business lender and has recently expanded its operations in Arizona.
- **ASBA**, the Arizona Small Business Association, is the leading voice for small businesses in the State of Arizona.
- **O'Neil Associates**, a national public opinion research firm based in Tempe, has done over 1700 public opinion and marketing research projects since 1981. These include surveys and focus group projects for a wide array of businesses throughout the country.

For a complete copy of all **Silver State Bank/ASBA/O'Neil Associates Arizona Economic Indicators Monitor** reports released to date, as well as opinion research reports on an array of other topics visit <http://www.oneilresearch.com/publicdomain> or click on the banner below.



For Further Information or to schedule media interviews contact *via email*:

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