

Measuring Tax Policy Preferences in the American States:
Results from the 2006 Cooperative Congressional Election Study

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Note to Nancy Pelosi: Lay off the taxes.

In 2006, the Cooperative Congressional Election Survey interviewed over 36,000 American adults about their political attitudes and voting behavior during a midterm election that turned control of both chambers of Congress from Republicans to the Democrats. The very large CCES sample, stratified to be representative of the states, was designed expressly to study the relationship between representatives and their constituents. The study permits direct measurement of (1) the distribution of voters' preferences on significant policy questions of the day, (2) the responsiveness of representatives to their electorates on particular policy questions, and (3) the importance of those questions in the voters' minds in assessing the performance of government and assuring some degree of accountability during the election.

Understanding these three elements of electoral representation in a comprehensive and coherent manner has presented methodological challenges for Political Science since the 1950s. Miller and Stokes (1958) path-breaking article raised serious doubts about the most basic conjecture concerning representation – namely that legislators reflect their constituencies views on public policy questions before the Congress. Miller and Stokes analyzed correlations between individual survey respondents' attitudes and the votes of Members of Congress on key issues and found strikingly low correlations. Based on this evidence they argue that there is relatively little congruence between members of Congress and their constituents on specific policy questions.

Their findings have been challenged on a number of grounds. Most importantly, different measures were used to capture the preferences of citizens and the policy positions of legislators and the samples were not sufficiently large to measure congruence between the constituencies and the representatives (Achen, Weisberg, Bowers and Stoker). The CCES was designed to overcome these problems. It allows direct measurement of the distribution of voter preferences, the relationship of voters' preferences to Senators' roll call voting behavior in Congress, and the response of the electorate to the policy decisions that their representatives make.

In this paper I focus on perhaps the most important policy that the legislature determines – taxes. The American legislatures hold particularly strong powers to tax. Both the federal and state governments have wide authority to tax incomes, property, and economic transactions.¹ And over the past 25 years, the federal and state governments

¹ This is not universally true in democracies. Commonly, only the central government has strong taxation powers in federal systems (Rodden).

have enacted sweeping tax reforms, such as the Tax Reform Act of 1986, as well as making many marginal changes, such as increases in the marginal tax rates on higher income earners under Clinton and cuts in capital gains taxes under Bush. I examine the public's assessment of specific tax votes taken by the legislature as well as the broader preferences about taxation and spending at the federal and state levels.

Previous attempts to study the tax policy attitudes of the electorate and the connection to election outcomes have examined survey and aggregate data to explore specific conjectures about the taxation and representation. Several important conjectures emerge from this literature.

First, at least since the 1970s, the American public has expressed strong opposition to taxes of all sorts and support for proposed tax cuts (Page and Shapiro). Opposition to taxes varies across demographic groups, such as income categories, but is expressed across the board.

Second, voters are reputedly fooled and make choices against economic self interest (Bartels).

Third, Republicans in Congress have thwarted a natural majority in support of increased taxes in order to balance budgets (Hansen, Hacker and Pierson). The median Republican differs markedly from the median Democrat and the median voter. If Republicans control the legislature and represent their core support, they will push for much lower taxes than the typical voter would favor.

Fourth, tax increases hurt Democrats on Election Day. This conjecture emerged in the 1960s (see Pomper), and has received mixed evidence from analyses of aggregate data on voting (Kone and Winters).

Each of these specific conjectures carries significant political implications, and the data examined here touch on each. They are all part of a broader view of tax policy, one in which voters have preferences grounded in self interest, in which voters do (or do not) hold legislators accountable for their tax policy decisions, and in which legislators' decisions reflect (or deviate) from their electorates.

In this paper, I step back from these narrower conjectures and examine some prior questions about tax policy preferences in the United States. What does electorate want on taxes? Are tax policy preferences correlated with self interests? What are party and state divisions? Do legislators respond to tax preferences of constituencies? Do voters hold legislators responsible for tax votes?

Answers to these questions have eluded past research owing to the limitations of available data. Researchers have relied on exit polls, which contain only a limited set of questions (Kone and Winters; Erikson, Wright and McIver), on national random sample surveys, such as the ANES, which have richer sets of items but insufficiently many cases to measure state and district preferences (Page and Shapiro, Hansen, Bartels), or

aggregate statistics on incomes and tax incidence, which do not necessarily reflect voters' perceptions and preferences (Berry and Berry).

Analysis of tax policy preferences of constituents and decisions of legislators speaks immediately to questions of representation. The analysis also touches on the roll of political party on legislative behavior. A decades-long debate among scholars has grappled with the power of political parties inside the American Congress. Do parties have independent influence over public policy, or does the partisan division inside the Congress largely reflect the divisions within constituencies? Most recently, Cox and McCubbins (1996), Aldrich, and Rohde have staked out the turf holding that parties inside the legislature have substantial, independent influence over the shape of public policy, pulling legislative outcomes away from the median voter. Krehbiel (1998) and Brady and Volden (2001) argue that legislators primarily reflect their constituents. Empirical research has found evidence to support both claims (e.g., Ansolabehere, Snyder, and Stewart), though direct measures of constituencies preferences on the immediate roll call votes of interests have been unavailable, until now.

1. Measuring Tax Policy Preferences

Two salient tax bills came before the 106th U. S. Congress. The first was a proposal to make permanent reductions in estate tax; the second was an extension of the capital gains tax cut. Both were originally passed during President Bush's first term in office.

The CCES survey asked explicitly about the capital gains tax cut. The survey presented respondents with a short three sentence description of the measure, with a pro side and a con side. The description was taken directly from the Washington Post's roll call vote web page. Respondents were asked how they thought each of their two U. S. Senators voted on the measure and how they would have voted had they faced the choice. The exact wording is in the appendix.

This survey item captures voters' own preferences and their perceptions of their representatives behavior in the legislature. We compared the perception with reality. Respondents' perceptions of Senators' votes on the capital gains tax correlated significantly with the actual votes cast by the Senators on the issue, even above what one would guess from simple partisanship. Although we did not ask their preferences on the estate tax vote, which occurred a year earlier than the vote to extend the capital gains tax cut, we did incorporate the Senators' actual roll call votes, so that we could ascertain how much their roll call votes fit with their constituencies' aggregate preferences on the issues.

The survey also measure voters' broader tax policy preferences using two different questions. Both questions ascertained support for spending cuts versus tax increases in order to balance government budgets. The first question asked if more of a state budget shortfall should come from tax increases or spending cuts. Respondents were given a

sliding scale from All From Tax Increases (0) to All From Spending Cuts (100), with the midpoint meaning about equally from both (50).

The second measure of overall tax preference was constructed from a battery of questions analogous to that employed in the 1995 ANES Pilot (Hansen 1998) and the 2005 MIT PORTL survey (Ansolabehere and Jones 2006). A series of questions asked how respondents would reduce the federal budget deficit. If the federal government were to balance the budget, what would you most like Congress to do? Cut defense spending, Cut domestic spending, Raise Taxes, Borrow. What would you like second best? What would you least like Congress to do? The responses were coded so that those who preferred tax increases to any form of spending cut were treated as favoring tax increases over spending cuts and coded 100, while those who least wanted tax increases were coded as favoring spending cuts over tax increases and coded 0. Those who wanted a mix of spending cuts and tax increases were coded as 50.

I factor analyzed these two measures to construct an overall tax policy score. That score is standardized to have a mean of 0 and a variance of 1.

The survey was administered in October and November of 2006 to 36,500 people in a national representative (matched-random) sample by Polimetrix. The October wave of the survey asked about perceptions of the candidates, partisanship, ideology, and demographics, as well as tax policy questions. The November wave immediately followed the election and asked about voting behavior as well as some attitudinal questions. The same people were interviewed in each wave. For further details see <http://web.mit.edu/polisci/portl/cces/studydesign.html>.

In addition to tax policy, I examine the vote for Senate, approval ratings of both U. S. Senators, ideology, partisanship, income, abortion preferences, race, region, gender, and education. Party Identification, Income, Education, Race, and Gender were measured using standard indicators. Partisanship was measured several different ways in the survey; I use a simple classification of Democrats, Republicans, and Independents. Some independents lean strongly toward one party or another and might profitably be studied further, but the simple classification seems to produce the same substantive results as more refined classifications. Ideology was measured using a sliding scale from Very Liberal (0) to Very Conservative (100). That measure correlated very highly with a traditional 5-point scale. Respondents were asked to place themselves and their Senators on this scale. Abortion policy preferences were constructed using factor analysis of 5 different items (the NES abortion question, two items on partial birth abortion, two items on stem cell research). Approximately 17,000 respondents lived in states where a Senate election was held. The Senate Vote variable is coded as 1 if the respondent reported voting Democratic and a 0 if the respondent reported voting Republican. Finally, respondents were asked to express whether they Strongly Approved, Approved, Neither, Disapproved, or Strongly Disapproved of each of their U. S. Senators.

Approval and Vote serve as measures of electoral accountability. Below I examine how much agreement with legislators' roll call votes, party, and ideology predicts approval and vote for that legislator.

2. Aggregate Tax Policy Preferences

The CCES data offer a very sharp picture of the American electorates' preferences on both specific and broad questions of tax policy. Three sorts of electorates deserve attention – the national electorate, the party electorates, and each state's electorate.

U. S. Electorate

Table 1 presents the estimated preference of the average and median voter, as well as the standard deviation of the distribution of voter preferences for four measures of tax preferences. The analysis characterizes the national electorate as well as partisan groups – Democrats, Republicans, and Independents.

The first measure is support for and opposition to the capital gains tax cut among the electorate. The variable Cap Tax Cut is coded 1 if the respondent supports the extension of the Capital Gains Tax Cut, -1 if the respondent opposes, and 0 if the respondent is not sure or neither opposes nor supports. Overall, 43.6 percent opposed the extension of the tax cut, 40.9 percent supported it, and 15.6 percent had no preference. The average value of this variable equals the percent in support minus the percent in opposition, or -2.6 percent. The median response was not sure or no preference, or 0.

The second and third variables reflect the tradeoff that respondents would make between tax increases and spending cuts. A value of 50 on both scores means that to balance the budget the electorate would use spending cuts and tax increases about equally. A value of 0 means that they would balance the state or federal budget entirely from taxes and a value of 100 means that they would balance the budget entirely from spending cuts.

Even though very different question formats were used, the two measures lead to nearly identical results. On both questions, the average voter thinks that on balance 60 percent of the revenue for to reduce the deficit should come from spending cuts and 40 percent should come from tax increases. The median voter wants deficit reduction to come equally from taxes and spending cuts. The same asymmetry shows up in each partisan group.

The disparity between the median and average voter on these questions is worth noting. It arises because the fraction of the electorate that prefers all of the budget deficit to be made up from spending cuts is substantial and much larger than the fraction that want to make up the deficit from tax increases.

The fourth measure of tax policy preference combines the questions that ask respondents' preferences on tax increases versus spending cuts to balance state and federal budgets. The Tax Score is a weighted average of the two variables, where the weights are determined through principle components factor analysis.

Table 1. Tax Policy Preferences of the National Electorate and the Party Electorates

	All Avg. [Med] (SD)	Democrats Avg. [Med.]	Independents Avg. [Med.]	Republicans Avg. [Med.]
Cap Tax Cut	-.026 [0] (.91)	-.514 [-1]	-.104 [0]	.552 [1]
Tax v. Spend				
Federal	59.9 [50] (32.7)	53.2 [50]	59.1 [50]	66.9 [50]
State	60.8 [53] (26.3)	48.5 [50]	59.6 [51]	73.8 [78]
Tax Score	.000 [.075] (1.00)	-.387 [-.383]	-.001 [.073]	.471 [.535]
N	30,113	9,532	9,522	9,273

The differences among the partisan groups are particularly stark. On the capital gains tax cut, Democrats and Republicans mirror each other. Two-thirds of Democrats opposed the extension, compared with 16 percent in favor. Seventy percent of Republicans supported the extension, compared with 16 percent against. Independents, on balance, opposed the measure, with 48 percent against and 37 percent for. Overall the electorate expressed ambivalent attitudes toward the measure, with the public nearly evenly divided on the question. Congress passed the extension of the tax cut, and President Bush signed the bill into law on May 17, 2006.

Extension of the capital gains tax cut reads as further evidence of the power of the political parties. Hansen (1998) and Hacker and Pierson (2005) argue that the Republican party's control of national government has allowed it to reduce the progressivity of the tax code, even though that party is out of step with the typical voter. Table 1 indicates that the Republican party is indeed to the right of the median voter on taxes, and that the capital gains tax cut satisfied the preferences of a majority of Republicans. The median voter, however, was close to indifferent to this proposal, rather than openly against it. These data suggest that the Republicans exploited the indifference of the typical voter, rather riding rough-shod over the median's opposition.

The preferences of partisan groups clarify further the portrait of the tax preferences of the public and the parties. Scholars of public opinion have long noted that the American public opposes taxes, even when confronted with the tradeoff between tax increases and spending cuts (Page and Shapiro 1992). The CCES data are consistent with this trend.

The typical voter wants to use spending cuts and tax increases in equal measures to balance the budget.

Republicans strongly favor spending cuts over tax increases. Faced with the prospect of balancing the budget, the typical Republican would raise two thirds to three quarters of the revenue to cover a short fall from cuts in spending and one third from increases in taxes.

Independents also tend to favor spending cuts over tax increases. The average Independent would cover 60 cents of every dollar of deficit with spending cuts and 40 cents with tax increases. The median Independent, when faced with a deficit, would use taxes and spending cuts equally to cover the shortfall.

Even Democrats do not favor spending over taxes. The median Democrat would rely equally on tax increases and spending cuts to balance the budget.

There is not, by these measures, a hidden majority to raise taxes in order to protect expenditure programs. The parties certainly divide over specific tax proposals, such as the capital gains tax cuts, but on broad principles the differences between the parties appear more modest. Democrats would cover a deficit with spending cuts and tax increases equally; Republicans would use spending cuts more than tax increases. The typical Democratic voter is not inclined to favor spending over taxes; rather the Democratic electorate weighs taxes and spending equally.

State Electorates

Individual state electorates tell the same story. The CCES data allow for calculation of tax policy preferences for each state's electorate. The CCES sample had a minimum state sample of 100 cases (in Vermont). Missing data on some questions reduced the sample sizes still further.

Table 2 parallels Table 1, but presents the averages and medians of the tax policy variables for each state. Negative values of the Cap Tax and Tax Score variables correspond to more liberal positions (pro-tax or pro-spending) on these issues, and positive values correspond to more conservative positions (anti-tax or anti-spending). The variable Tax Increase v. Spending Cut reflects what revenue source the respondent would most like to use to cover a deficit: 100 means all from tax increases, 0 means all from spending cuts, and 50 means from both equally.

On the specific question of the capital gains tax cut, the US electorate leans slightly against the proposed extension. The greatest opposition comes from states in the Far West and some states in New England and the upper Midwest (e.g., Illinois, Michigan, and North Dakota). The greatest support comes from states in the Mountain West and South, but also (surprisingly) from some northeastern states, especially New Jersey and New Hampshire. New Jersey and New Hampshire were among the staunchest

Republican states up to 1980, and they have trended Democratic since. On taxation they held onto their traditional Republican roots.

On broad principles, a somewhat different picture emerges. In no state, does the typical voter (either the average or median) favor tax increases over spending cuts. The range is from “less taxation” to “a lot less taxation.”

Looking at particular states reveals strengths and vulnerabilities for the parties on questions of taxation and expenditures. The Pacific West is perhaps the most liberal part of the country on taxation and spending. Hawaii, Oregon, Washington, and New Mexico are among the most liberal countries on fiscal matters, and California is close to the median state.

The Northeast, by contrast, should give the Democrats pause. Democrats have won the presidential vote in Maine, New Hampshire, New Jersey, Ohio, Pennsylvania, and Rhode Island in recent elections. These states are commonly taken to be the bulwark of the Democratic electoral strategy. If they don't win these states, expect a Republican blow out. But on questions of taxation and spending, these electorates are among the most conservative in the country. The Clinton Coalition moderated the party sufficiently on the question of taxes to break the Republican hold on New Jersey, Pennsylvania, and New Hampshire. The danger of tacking left on tax and spend questions is not potential vulnerability of the party in the West or even in the South, but in the Northeast. Not only do the electorates of New Jersey, Pennsylvania, Ohio, New Hampshire, Maine and Rhode Island strongly favor spending cuts over tax increases, they are among the right most states on these questions.

Table 2. Tax Policy Preferences of the American States

State	%For –%Against Extend Cap Tax Average	Tax Increase v. Spend Cut			Tax Score		Number of Cases (Tax Score)
		State Avg.	Med.	Federal Avg.	Avg.	SD	
AK	.105	59.8	50	57.7	-.031	.941	130
AL	.037	62.6	56	62.5	.133	.952	496
AR	-.019	64.6	55	61.8	.157	.975	356
AZ	.020	61.7	57	58.4	.047	1.006	958
CA	.004	60.7	53	58.2	-.001	1.028	3,619
CO	-.038	58.4	50	55.1	-.091	1.047	624
CT	-.051	59.5	51	61.8	.050	.930	371
DE	-.126	62.8	50	60.5	.113	.975	109
FL	.052	62.7	55	60.0	.078	1.028	2,330
GA	.047	60.9	57	63.1	.090	.989	1,185
HI	-.012	57.1	50	58.5	-.146	.880	97
IA	-.050	60.2	50	62.1	-.024	1.037	351
ID	.133	64.2	63	64.0	.175	.925	244
IL	-.090	60.1	53	58.5	-.018	.983	1,588
IN	-.037	59.9	53	62.1	.063	.964	889
KS	.004	62.4	54	64.7	.163	.868	465
KY	-.039	60.9	51	59.1	.015	.982	458
LA	-.007	62.9	53	60.7	.071	1.012	362
MA	-.124	57.3	50	57.3	-.088	1.036	545
MD	.048	59.8	51	61.3	.047	.961	709
ME	-.056	65.2	64	65.7	.218	.845	226
MI	-.121	60.1	51	60.5	.030	.990	1,534
MN	-.001	60.2	55	55.6	-.053	1.036	696
MO	-.052	58.8	50	56.3	-.096	.999	819
MS	-.033	57.9	50	62.0	.004	.932	200
MT	.127	62.9	55	59.8	.094	.894	149
NC	-.037	61.1	54	61.8	.076	.969	942
ND	-.148	57.9	51	61.0	-.047	.970	96
NE	-.044	65.8	65	58.4	.153	.973	172
NH	.147	65.0	67	61.2	.182	1.047	196
NJ	.069	67.5	68	64.8	.290	.960	831
NM	-.174	57.2	50	53.2	-.159	.896	320
NV	.009	61.7	61	64.7	.140	.967	385
NY	-.155	58.7	51	60.6	-.009	1.005	1,770

(continued)

Table 2 (continued). Tax Policy Preferences of the American States

State	%For –%Against Extend Cap Tax Average	Tax Increase v. Spend Cut			Tax Score		Number of Cases (Tax Score)
		State Avg.	Med.	Federal Avg.	Avg.	SD	
OH	-.077	61.2	57	62.0	.086	.982	1,517
OK	-.070	58.9	53	61.9	.016	.973	410
OR	-.176	57.1	50	55.3	-.142	1.038	734
PA	-.001	63.2	58	63.2	.136	.985	1,500
RI	-.008	60.7	53	65.3	.137	.971	122
SC	.038	61.7	60	61.1	.088	1.004	453
SD	.053	58.6	51	59.8	-.005	.933	126
TN	-.017	64.6	61	62.2	.167	1.015	678
TX	-.000	60.6	54	58.5	.012	1.006	2,775
UT	.059	59.7	51	58.6	-.019	.968	354
VA	.002	60.1	53	57.8	-.017	1.012	889
VT	-.223	52.5	50	64.3	-.050	.871	74
WA	-.076	57.3	50	53.0	-.174	1.022	1,150
WI	-.016	62.2	56	62.8	.107	.984	905
WV	-.113	59.5	51	63.3	.050	.895	288
WY	.164	61.6	51	55.9	-.039	1.010	89
U. S.	-.026	60.8	53	59.9	.00	1.00	30,271

3. Predictors of Individual Preferences

What accounts for individuals' preferences over tax policy? Public finance and political economics have long assumed that preferences over tax policy map primarily into personal or household income. Studies of state level tax policy making commonly use median and per capita income as proxies for voters' preferences. The patterns in Tables 1 and 2 suggest a more nuanced account – party and geography may be equally important.

To examine the sources of variation in tax policy preferences I regressed respondents preferences on the Capital Gains Tax Cut and their Tax Scores on a variety of indicators. The first and most obvious is Income, and I consider the relationship between tax preferences and Income in isolation. In a second specification I include other predictors of tax policy preferences, including Education, Party Identification, Ideology, Abortion Policy Preference, Race, Age, and Region. Education is a categorical variable ranging

from less than High School up to Post Graduate. Party Identification is coded 1 for Democrats, 0 for Independents, and -1 for Republicans. Ideology is a 5 point scale from Very Liberal to Very Conservative. Abortion Policy is a standardized scale constructed from 5 different questions. Age is the person's age divided by 10. Racial and Regional groups are capture using indicator variables.

Table 3. Regression Estimates of the Predictors of Tax Policy Preferences

	Extend Capital Gain Cut		Tax Score	
	(1)	(2)	(1)	(2)
Income	.039 (.001)	.028 (.002)	.009 (.002)	.007 (.001)
Education		-.006 (.014)		-.043 (.005)
Party		-.272 (.007)		-.171 (.009)
Ideology		.187 (.006)		.176 (.008)
Abortion		-.193 (.006)		-.182 (.007)
White		-.020 (.022)		-.018 (.028)
Black		-.029 (.026)		.115 (.033)
Hispanic		-.052 (.025)		.041 (.032)
Male		.079 (.009)		-.022 (.012)
Age (in Decades)		-.032 (.017)		.186 (.022)
Age Squared		.005 (.002)		-.023 (.002)
Northeast		-.006 (.014)		.132 (.018)
Midwest		-.055 (.012)		.015 (.016)
South		-.024 (.012)		.021 (.015)
Constant	-.346 (.013)	-.835 (.046)	-.033(.016)	-.820 (.061)
N	36,286	29,858	30,271	25,012
R-Square	.019	.337	.001	.195

Consider, first, the bivariate relationship between tax policy preference and income. If income is a proxy for preference then we expect a strong and positive relationship between policy preference and income. For both dependent variables the relationship is positive but not strong. The R-square is only .02 for the Capital Gains Tax Cut and it's .001 for the overall Tax Score. The weak relationship between economic policy preference and income is well-known among political scientists (see among many others Ansolabehere, Rodden, and Snyder; Gelman and Bafumi). Nonetheless it bears repeating, as many political economists and economists continue to use income as an indicator of voters' preferences (Glaeser). It is a weak indicator.

So what does explain Americans tax policy preferences? The analysis at hand cannot untangle the causal connections, but it can determine which factors are most strongly correlated with or predictive of tax policy preferences.

The answer is party and ideology. Tax policy preferences map most strongly into these two variables. Region, Race, Education, Income -- all pale in comparison. The effects of party and ideology on Tax Policy are an order of magnitude larger than the effects of income and education. The standardized coefficients of Party, Ideology, and Abortion Policy are in the neighborhood of .20. The standardized coefficients of the other factors are on the order of .02 to .04.

I hesitate to give a strong causal interpretation to the associations here, especially as one might argue that the direction of causality runs the other way. Rather, the interpretation is that the best markers of tax policy preferences are party and ideology, not demographics.

One very striking result emerges from Table 2, and that is the relationship of tax policy preference to abortion policy preference. The coefficient on Abortion Policy Preference on Tax Policy Preference is large and highly significant; indeed, the standardized coefficient of Abortion preference is as large as any other effect. Those who are strongly Pro-Choice are much more likely to favor Tax Increases over Spending Cuts. Those who are Pro-Life are much more likely to favor Spending Cuts over Tax Increases. The difference between someone who is Pro-Choice and someone who is Pro-Life is roughly 20 points on each of the two dependent variables.

This pattern captures a unique aspect of the current political alignment in the United States, one that goes beyond even party and simple ideological labels. At least since the 1970s, taxes and abortion have been inextricably linked, but the connection of these two issues to one another cuts across region, education, gender, social class, and income. It is "what is the matter with Kansas" and "what is the matter with Cambridge." It blunts the more intuitive correlation between income and tax policy preference, a connection maintained in theoretical analyses of economists and political economists but muddled by the practical politics of our day.

4. Congruence

The original motivation behind this study was to assess the extent to which legislators' decisions in Congress are congruent with their state constituencies' preferences on tax policy. This is an old question for political scientists and one that has proved difficult to assess directly because we have not been able to measure citizens' preferences and legislators' behavior *on the same questions and with sufficiently large samples*. The CCES attempts to solve that limitation directly.

I construct measures of the political and policy preferences of the state electorates by aggregating the survey data for each state. I regress the measures of state policy and political preferences on each Senators roll call votes on the capital gains tax cut and on the estate tax reduction. The regression analyses also include the partisanship of the Senators. Since there are two Senators per state I stacked the data, so that each observation corresponds to a Senator and there are two observations per state.

First, we are interested in whether there is any association between constituents' preferences on taxes and legislators' roll call votes. For the Senate vote on extension of the capital gains tax cut the data are ideal, as the survey gauges the electorate's opinion on exactly this issue. Preferences on the capital gains tax cut also serves as a proxy for preferences on the estate tax cut, as that involved a similar tax policy question. The division of public opinion on capital gains taxes across states has a significant effect on Senators' roll call voting in both cases. The correlation is .4 in both instances. The regression coefficients are slightly less than 6 for both capital gains and estate taxes and the independent variable (State Division on Extension of Capital Gains Tax Cut) is .08. A one standard deviation difference in the independent variable corresponds to almost a .5 difference on the dependent variable.

Second, controlling for state partisanship, income, and ideology, public opinion on the immediate question at hand – specific tax cuts – continues to have a significant effect on Senators' roll call voting. The coefficient is much smaller, just under 3 in both cases. The overall R-square in these regressions is about .75. Again, I do not want to claim a strong causal connection here. Rather, these analyses reveal that, even with a modest number of cases (100), there is significant evidence of congruence between Senators and their constituents.

By far the most important factor, however, is the partisanship of the Senators. Holding constant constituent preferences, the party with which a Senator caucuses strongly determines the how he or she voted on both bills.² The lion's share of the explained variation in these two votes is attributable to party. Constituents' preferences on the immediate question of tax cuts and state median income account for the remainder of the explained variation.

Consideration of the regression coefficient reveals just how important party is. The coefficient on party is approximately 1.5. The dependent variable has a range of 2, since

² One Independent Senator caucused with the Democrats.

it equals 1 if the Senator voted for the bill and -1 if against. A coefficient of 1.5 on party, then, accounts for most of the difference in Senators' roll call voting behavior.

The massive effect of Senators' party affiliation in this analysis is highly consistent with party government models of the U. S. Congress. Cox and McCubbins (1996) argue that the parties shape the budget process inside the legislature and that their influence reflects a form of party government similar to what emerges in parliamentary systems (Cox and McCubbins; Aldrich and Rhode; see, for a contrary view, Krehbiel and Brady and Volden). Empirical research has sought to hold constant the preferences of constituencies in order to separate the influence of legislative party or constituency partisanship (Ansolabehere, Snyder and Stewart). But, lacking large scale surveys designed around specific roll call votes, it has been impossible to test these conjectures directly. For these two bills, the CCES provides direct measures of the division of the constituencies on tax cuts and shows that while constituency preferences matter, party has an even more substantial effect.

Table 4. State Preferences Tax Policy Preferences and Senators' Roll Call Votes

	Senators' Actual Roll Call Votes on			
	Capital Gain Tax		Estate Tax	
	(1)	(2)	(1)	(2)
State Division on Cap Tax	5.91 (1.36)	2.81 (1.26)	5.89 (1.37)	2.61 (1.32)
Tax v. Spend		-.29 (.77)		-.06 (.82)
Median Income		-.15 (.07)		-.13 (.07)
State Ideology		.05 (.36)		-.01 (.38)
State Partisanship		-.01 (1.10)		-.07 (1.16)
Senator Party		-1.54 (.12)		-1.54 (.13)
Constant		1.87 (1.12)		1.91 (1.19)
N	100	100	100	100
R-Sqr	.16	.77	.16	.75

Note: (1) Dependent variable = 1 if for, 0 if not voting, -1 if against
(2) Weighted By Number of Valid Cases per State
(3) Descriptive statistics in appendix.

The CCES, then, provides clear evidence of both congruence and party. Senators' roll call votes indeed correlate with their constituencies' preferences on questions of taxation, and controlling for the division in the state, party inside the legislature further determines how legislators vote on tax policy.

5. Accountability

Congruence between constituents' preferences and Senators roll call votes is only half the story of representation. The primary theory of representation in the United States argues that legislators behave in ways consistent with their electorates' preferences because the electorate will vote their legislators out of office if the legislators deviate excessively from the collective wishes of the constituency.

Do voters reward legislators who represent them well on questions of taxation and punish those who don't? Or are legislative elections driven primarily by party?

To answer these questions I examine how approval of the sitting Senators and the election vote for Incumbent Senators depends on perceived agreement with the Senators' votes on taxes, perceived agreement on Party, and perceived agreement on Ideology generally. I examine perceptions rather than actual agreement, as voters' knowledge and understanding is the proximate determinate of electoral accountability. Their understanding of the votes, party, or ideology of their Senators maybe correct; they may also be wrong. Whether voters misperceive their legislators' behavior and characteristics is a related but somewhat different matter. The immediate question is whether voters act on the information that they have about party, ideology, and public policy decisions of their representatives.

Perceived agreement on party, ideology, and roll call votes is measured by comparing respondents own preferences with how respondents understand their Senators behavior and preferences. We asked respondents to identify their own partisanship and also what party they think their Senator is. Partisan Agreement equals 1 if the respondent identified himself or herself as a Democrat and his or her Senator as a Democrat or identified himself or herself as a Republican and his or her Senator as a Republican. Agreement equals -1 if the respondent's party identification was opposite to the perceived party of the Senator. Otherwise, agreement equals 0.

We asked respondents how they would vote on the capital gains tax cut were the decision up to them and how they think each of their Senators voted. Agreement on Capital Gains Tax Cuts is 1 if the respondent would vote for and the respondent thought the Senator voted for or if the respondent would vote against and the respondent thought the Senator voted against. Agreement on Capital Gains Tax Cut is -1 if the respondent would vote for and the respondent thought the Senator voted against or if the respondent would vote against and the respondent thought the Senator voted for. Otherwise Agreement on Capital Gains Tax Cuts is 0.

We asked respondents to place themselves and their Senators on a scale from Very Liberal (0) to Very Conservative (100). The difference and squared difference measure the distance and direction of distance of the legislators from the voters' personal ideology.

Table 5 presents regression estimates of the effects of perceived agreement on roll call votes, perceived agreement on party identification, and ideological distance on approval and vote for incumbent Senators. All three factors – party, ideology, and roll call voting – proved highly important in explaining approval and vote, and, no one of these factors is clearly more important than the other. Broad ideological positions, party identifications, and specific legislative roll call votes strongly influence whether individual citizens approve of and will vote for their incumbent Senators.

Table 5. Regression Analysis of Approval of and Vote for Incumbent Senators

	Approval of Senator (-2, -1, 0, 1, 2)		Vote for Senate Incumbent (-1, 0, 1)
	Senator 1 Coef (SE)	Senator 2 Coef (SE)	Coef (SE)
Agreement on CapTax	.436 (.012)	.475 (.011)	.197 (.007)
Agreement on PID	.334 (.013)	.436 (.012)	.269 (.007)
Independent	-.204 (.017)	-.226 (.016)	-.043 (.010)
Ideological Difference	.324 (.022)	.170 (.019)	-.027 (.012)
Ideological Distance	-2.61 (.042)	-2.44 (.037)	-1.300 (.022)
Constant	.608 (.012)	.568 (.011)	.355 (.008)
N	15,852	18,381	18,772
R-Square	.534	.575	.452

Note: State Fixed Effects, which incorporate partisan differences and other contextual effects.

The results on tax votes are of particular interest. Agreement with a legislators vote – or disagreement with that vote – on a salient tax bill has a substantial effect on electoral decision-making of individual citizens. Perceived agreement with a Senator on a salient tax question, such as the extension of the Capital Gains Tax Cut, increases the probability that an individual will vote for a Senator by fully 20 percentage points. That effect holds after controlling for party and ideology.

Voters can and do hold their Senators accountable for salient tax votes come election time. This conclusion presents an obvious tension inside the legislature. Senators feel the pressure to vote in ways consistent with the division of public opinion in their state, and, as Table 4 exhibits, Senators lean in the direction of their constituencies somewhat

on salient tax policies. However, partisan pressures in the legislature and divisions inside Washington, DC, have an even stronger influence on legislative decision-making. Politics inside-the-Beltway, then, can pull on Senators far away from the wishes of their state constituencies.

In the present context, the tension between constituency preferences and party pressures poses real risks for the Democratic leadership, as the party's leadership in the Senate and House grapple with the problem of the deficit, taxation, and protection of social programs. If the Democrats push an excessively aggressive tax increase to cover the deficit, they risk significant electoral losses. And those losses likely would come in states that have served the bulwark of the Democratic majority – New Jersey, Pennsylvania, Ohio, New Hampshire, and Rhode Island.

APPENDIX

Question Wordings and Codings

Capital Gains Tax Cut

We'd like to ask about cutting taxes on the money people make from selling investments, also referred to as capital gains. This past year the Senate considered a bill to extend capital gains tax cuts passed in 2001.

Some politicians argue that these tax reductions make the economy strong and encourage people to invest more. Others argue that the plan would mostly benefit people who are already rich and that any tax cuts should be shared more fairly among all taxpayers.

What do you think? If you were faced with this decision, would you vote for or against these tax cuts?

- <1> For (that is to extend the capital gains tax cuts)
- <2> Against
- <3> Don't know

How about (name of Senator 1)? Do you think (gender of Senator 1) voted for or against increasing these tax cuts?

- <1> For (that is to extend the capital gains tax cuts)
- <2> Against
- <3> Don't know

How about (name of Senator 2)? Do you think (gender of Senator 2) voted for or against increasing these tax cuts?

- <1/> For (that is to extend the capital gains tax cuts)
- <2> Against
- <3> Don't know

Descriptive Statistics for Table 4

	Avg.	SD	Min	Max
Senator Vote on Capital Gain Tax	.14	.99	-1	1
Senator Vote on Estate Tax	.10	.99	-1	1
Net % For Cap Tax	-.02	.08	-.26	.16
Tax v. Spend	.01	.10	-.19	.26
Median Income	7.31	1.06	5.27	9.78
State Ideology	3.14	.22	2.69	4.01
State Partisanship	-.02	.11	-.26	.20

