



KEY FINDINGS & MESSAGES FROM OCTOBER 2013 POLL ON TAXES & GOVERNMENT SPENDING

Hart Research Associates conducted a nationwide survey of 1,009 2012 voters for Americans for Tax Fairness (ATF) on October 25-30, 2013 (margin of error +/- 3.1%). A polling memo, PowerPoint Deck and topline are at <http://bit.ly/1clwrvX>. Polling data cited below are from the topline questions and are indicated by [Q##].

Key Findings

- A debate framed in terms of how much to cut federal spending means playing on our opponent's turf. Avoid this trap by going on offense on tax fairness: Congress should raise revenue from the wealthy and corporations.
- Voters reject a cuts-only approach to the budget; they strongly support raising revenue from the wealthy and corporations.
- The public wants to replace at least half of automatic spending cuts under the sequester by closing corporate tax loopholes and ending tax breaks for the wealthy.
- Voters want job creation in the budget equation, not a singular focus on the deficit. But the public still desires deficit reduction and limiting government spending.
- There is little public support for reducing tax rates on the wealthy or on corporations as part of tax reform.

Overview of Americans' Budget Priorities

- By 68% to 28%, voters said Congress should "focus on strengthening the economy and creating jobs, while also tackling our deficit responsibly," rather than simply "getting our budget deficit under control and bringing down the national debt." [Q5b]
- By 56% to 39%, voters prefer "a budget that increases tax revenue from the wealthy and corporations and also cuts spending to a budget that cuts spending, with no tax increases." [Q7]
- Voters said the best way to deal with the \$110 billion in automatic spending cuts mandated by the sequester is to "Reduce the spending cuts somewhat" (56%), rather than "Allow the full spending cuts to take effect" (18%), or to "Cancel the spending cuts" (18%). [Q9]
- By 53% to 27%, voters want to "Reduce the [\$110 billion in automatic] spending cuts by fifty percent and replace them with new tax revenue from the wealthy and corporations," rather than "Allow the full spending cuts to take effect." [Q10a]
- By 50% to 34%, voters want to "Cancel the spending cuts and replace them with new tax revenue from the wealthy and corporations," rather than "Allow the full spending cuts to take effect." [Q10b]
- By 70% to 12%, voters believe if Congress decides to cancel some of the automatic spending cuts a better way to pay for that is by "Eliminating some tax breaks for the wealthy and big

corporations,” rather than by “Reducing spending on Medicare and Social Security in future years.” [Q12b]

- 65% of voters said the “richest two percent should be paying more in taxes;” 8% said “they should be paying less in taxes.” [Q3a]
- 64% of voters said “large corporations should be paying more in taxes;” 10% said “they should be paying less in taxes.” [Q3a]

Tax Tradeoff Messages Offering a Clear Choice Are Very Convincing

Voters found the following short messages very convincing:

- We should end tax breaks for companies that ship jobs and profits offshore, and level the playing field for small businesses that create jobs in America. [Q16ab]
- We should close tax loopholes for large corporations that ship jobs offshore, and instead use that money to invest in jobs in America by improving our roads and bridges and rebuilding manufacturing. [Q16ab]
- Instead of cutting education funding for our children, we should ask millionaires to pay at least as high a tax rate as their secretaries. [Q16ab]
- It’s better to end huge tax subsidies to oil and gas companies making record profits than to make seniors pay more for Medicare. [Q16ab]
- We should invest in education, medical research, and repairing our crumbling roads and bridges, which will create eight hundred thousand jobs next year. [Q16ab]

Public Has Strong Concerns About Republican Budget Priorities

Voters found the following short messages very convincing:

- We need leaders to compromise to avoid another crisis, but nearly every Republican in Congress has signed an irresponsible pledge promising that they will never vote to raise even one penny of revenue by closing tax loopholes for the wealthy and big corporations. [Q18ab]
- Republicans in Congress are proposing irresponsible new tax cuts for the wealthy and corporations, while putting the entire burden of deficit reduction on the backs of the middle class and vulnerable families. [Q18ab]
- Republicans in Congress favor giving more tax breaks to the wealthiest Americans and large corporations, while demanding cuts in services our families depend on, like college loans, nutrition assistance for seniors, and Head Start. [Q18ab]
- Republicans in Congress are breaking their promise to seniors by pushing to end the Medicare guarantee and replace it with a voucher plan that shifts costs to seniors. [Q18ab]
- Republicans in Congress are protecting tax breaks for companies that ship jobs offshore, taking jobs away from American workers and hurting our communities. [Q18ab]

Longer Form Messages for the Budget Debate

The Hart Research poll tested the following progressive messages against conservative messages; the progressive messages won by at least 12 points.

Special Interests Have Rigged the Tax System – Name Corporations that Profit

“The tax system is rigged in favor of special interests against the middle class. Large companies like General Electric and Verizon pay no federal income taxes some years, while Apple avoids billions in taxes by stashing profits in offshore tax havens. It’s about time big corporations started living by the same rules as the rest of us.” [Q22a – 62% to 30%]

Stop Corporate Tax Dodging – Invest in America

“It’s time to stop corporate tax dodging and invest in the U.S. again. If we close tax loopholes for corporations that ship profits and jobs offshore, we can raise billions of dollars to invest in America – making classrooms less crowded, improving roads and bridges, and making us energy independent.” [Q22b – 55% to 35%]

Tax Tradeoffs

“It’s wrong to balance the budget on the backs of the middle class by relying only on cuts to vital programs such as medical research and education. Instead of cutting cancer research, we should require millionaires to pay a tax rate as high as the middle class pays. Instead of cutting funding for schools, let’s end tax breaks for corporations that send American jobs offshore. If we ask the rich and big corporations to pay their fair share of taxes, we can be fiscally responsible and protect the middle class.” [Q14cd – 53% to 40%]

Jobs and a Balanced Approach to Deficit Reduction

“Our highest priority is to create the conditions for job creation, economic growth, and prosperity built from the middle-out, not the top down. We should replace harmful automatic spending cuts with smart, balanced deficit reduction, while making essential investments in education, job training, and infrastructure to create jobs for the American people. And we should ask the wealthy and large corporations to pay their fair share of taxes, rather than hurt our communities by cutting healthcare, education and public safety.” [Q14ab – 54% to 41%]

Replacing Automatic Spending Cuts – the Budget Sequester

“It is time to focus on creating jobs and growing our economy by investing in education, medical research, and job training. By replacing the automatic cuts we can create eight hundred thousand jobs paid for with new revenue from the wealthy and big corporations. America needs more investments in the middle class, not more spending cuts.” [Q11b – 52% to 40%]

Recommended Core Message in the Budget Debate

This is based on the responses to message questions throughout the Hart Research survey.

It's wrong to put the entire burden of deficit reduction on the backs of the middle class. Republicans are proposing to cut Social Security and Medicare, but at the same time they refuse to consider raising even one penny of revenue by closing corporate tax loopholes or ending tax breaks for the wealthy. Let's ask millionaires to pay at least as high a tax rate as their secretaries, instead of cutting education, Social Security and Medicaid. We should close tax loopholes for corporations that ship jobs offshore, and use that money to invest in jobs in America by improving our roads and bridges. If we ask the rich and big corporations to pay their fair share of taxes, we can be fiscally responsible and protect the middle class.

Tax Reform Measures Favored by the Public

All data are from Questions 20a/b unless indicated otherwise.

- By 82% to 9%, voters believe that “reform[ing] the tax system by closing corporate loopholes and limiting deductions for the wealthy” should be used to “reduce the budget deficit and make new investments” rather than to “reduce tax rates on corporations and the wealthy.” [Q21]
- By 79% to 17%, voters want to “Close tax loopholes to ensure that American corporations pay as much on foreign profits as they do on profits made in the United States.”
- By 71% to 23%, voters want to “Pass the Buffett Rule, which sets a minimum income tax rate of thirty percent for millionaires to ensure they do not pay a lower tax rate than the middle class.”
- By 68% to 28%, voters want to “Eliminate the [carried interest] loophole that allows Wall Street hedge fund managers to pay a lower tax rate than middle-class taxpayers.”
- By 62% to 36%, voters want to “Close loopholes that allow corporations and wealthy individuals to avoid paying U.S. taxes by shifting income to offshore tax havens.”
- By 62% to 34%, voters want to “Eliminate special tax breaks for oil and gas companies.”
- By 52% to 41%, voters want to “Limit tax deductions for people making over two hundred fifty thousand dollars a year.”
- By 51% to 45%, voters want to “Prevent corporations from avoiding taxes when they award their executives millions of dollars in stock options.”
- By 51% to 45%, voters want to “Establish a small tax on all sales of stocks and bonds. For example, for each ten thousand dollars sold, the tax would be three dollars.”