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Date: August 14, 2017

Re: Progressives Have Public Opinion on Their Side in the Upcoming Tax Fight

Executive Summary

In the aftermath of the failed effort by the Senate to repeal and replace the Affordable Care Act (ACA), President Trump and Congressional Republicans have made it abundantly clear they intend to move away from health care and pivot to “tax reform” as their next legislative priority after the conclusion of the summer recess. The one page “[plan](#)” the White House released four months ago was extremely vague, promising reform and simplification of the tax code for both individuals and businesses.¹ However, it did leave one clear impression: what President Trump and the Congressional Republicans refer to as “tax reform” is not and will not be reform at all; rather, the legislation they will propose will result in massive tax cuts for the wealthiest Americans and the largest companies.

For example, analysis from the [Center on Budget and Policy Priorities](#) in July found that the effects of reducing the corporate tax rate from 35 percent to 15 percent, as proposed by President Trump, disproportionately benefits the wealthy, with 34 percent of all benefits going to the top one percent, and 70 percent going to the top quintile of income earners.² Moreover, The [Tax Policy Center](#) conducted a revised analysis of the implications of the tax plan and found that the cuts proposed would reduce federal tax revenue by \$7.8 trillion over the next decade, with the top one percent seeing incomes increase by 17.3 percent while the middle class would end up paying a larger overall share of all federal taxes.³ This is a repudiation of President Trump’s own populist promises to the American people during the 2016 election by rewriting the tax code to further benefit millionaires, billionaires, and wealthy corporations at the expense of the middle class and working families.

As progressives strategize for the tax fight coming this fall, they open the debate with a clear advantage: public opinion is on their side. After thoroughly reviewing both existing public polling and the collective research we have conducted, it is clear an overwhelming majority of the American public believes:

- The wealthy and corporations do not pay their fair share in taxes;
- There is strong support to *raise* taxes on the wealthy and corporations, not lower them;
- Tax cuts for the wealthy and corporations would threaten the resources for programs that benefit the middle class, such as Medicare, Social Security, and public education; and,
- Elected officials should not be supporting tax cuts for the wealthy and corporations.

We encourage progressives, based on these findings, to demand that not one penny in tax cuts be given to the wealthy or corporations, which will only make the system more rigged in their favor at the expense of working families that are the core of what makes our economy grow.

Data supporting these points is outlined on the subsequent pages focusing on at the national level.

¹ The White House, “2017 Tax Reform for Economic Growth and American Jobs,” April 26, 2017.

² Center on Budget and Policy Priorities, “Corporate Tax Cuts Skew to Shareholders and CEOs, Not Workers as Administration Claims,” July 20, 2017.

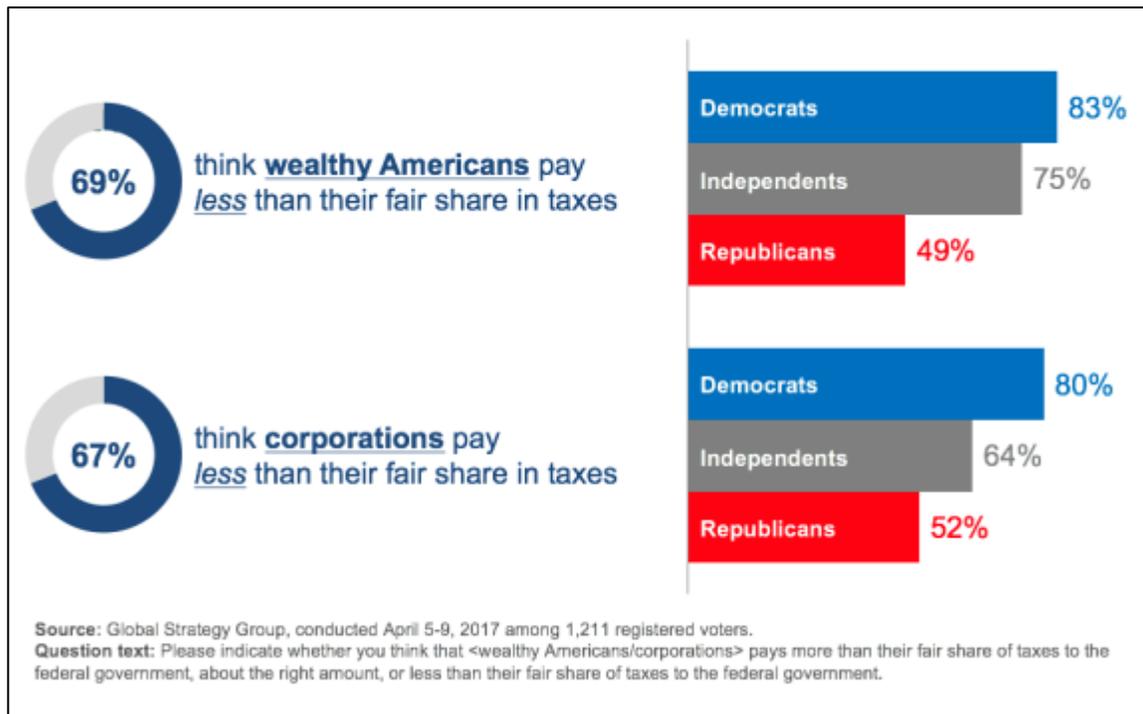
³ Tax Policy Center, “The Implications of What We Know and Don’t Know About President Trump’s Tax Plan,” July 12, 2017.

Key Point #1: The Wealthy and Corporations Do Not Pay Their Fair Share in Taxes.

The heart of the tax plan being proposed by President Trump and the Republican Congress is a massive redistribution of wealth toward the richest Americans and largest corporations. Yet, polling conducted throughout this year has shown a striking consistency: an overwhelming majority of Americans agree that the wealthy and large corporations already do not pay their fair share in taxes.

At least six different surveys have demonstrated conclusively that this is the public's position:

- The [Pew Research Center](#) asked in April how bothered people are by the feeling that certain groups do not pay their fair share in taxes – 60 percent are bothered “a lot” by the feeling that wealthy people do not pay their fair share, and 62 percent who are bothered “a lot” by the share of taxes corporations are paying. When including those who are bothered “some,” those numbers rise to 78 percent who are bothered by the wealthy not paying their fair share, and 80 percent who feel the same about corporations.⁴
- [Gallup](#) asked a similar question in April, finding that 63 percent believe upper-income people pay too little in their share of taxes, and 67 percent agree that corporations pay too little.⁵
- [Global Strategy Group](#) conducted research in April that found 67 percent of registered voters believe corporations pay less than their fair share of taxes, while 69 percent believe the same applies to wealthy Americans. This includes 49 percent of Republicans who share this view about corporations, and a majority – 52 percent – that think wealthy people pay too little.⁶



⁴ Pew Research Center, conducted April 5-11, 2017 among 1,501 adults.

⁵ Gallup, conducted April 5-9, 2017 among 1,019 adults.

⁶ Global Strategy Group, conducted April 5-9, 2017 among 1,211 registered voters.



- Research conducted in June by Hart Research Associates on behalf of Americans for Tax Fairness found that 71 percent of registered voters think that it is an extremely important goal for any proposed tax reform plan to “make sure the wealthy pay their fair share,” and 68 percent think it is extremely important for corporations to do the same.⁷
- An [Associated Press-National Opinion Research Center](#) survey from March 2017 found 68 percent of Americans think that wealthy households pay too little in federal taxes.⁸
- Results from a [YouGov](#) survey conducted in April 2016 showed 67 percent of Americans believe the tax system as currently set up favors the wealthy, yet only 1 percent think it *should* favor the wealthy.⁹

Given the overwhelming evidence that the public strongly believes the rich and corporations are already not paying their fair share, it is no surprise that President Trump and his allies are deliberately eliding the degree to which their proposals would further skew the tax code. Instead, they claim that their tax plan will reform the tax code to benefit working families and the middle class. Unsurprisingly, voters are open to this line of messaging, which suggests everyone will benefit. The April survey by Global Strategy Group found that 59 percent agreed with the statement, “I do not mind if the wealthiest Americans get a tax cut, as long as people like me get some kind of a tax cut.” However, it is critical for progressives to contextualize the disproportionate benefit that the wealthy and corporations will receive from this tax plan. When voters were asked if they agree with the statement, “I do not mind if the wealthiest Americans **get a bigger tax cut than I do**, as long as I get some kind of a tax cut,” only 33 percent agreed while 67 percent disagreed – including 52 percent of Republicans who disagreed.¹⁰ The current feeling is that the richest Americans are taking advantage of a rigged tax code is so strong that, unlike previous eras, today’s voters are not interested in giving a disproportionate tax cut to the rich even if they, themselves, would see a relatively minor benefit.

Key Point #2: There is Strong Support for Raising Taxes on the Wealthy and Corporations.

Not only do a majority of Americans believe the wealthy and corporations pay less than their fair share in taxes, but they think that their taxes should be raised – not lowered. This view is in direct contradiction to the tax plan being assembled by Republicans in Washington. This belief is driven significantly by the perception that the wealthy and corporations are able to exploit tax loopholes and special benefits for themselves that ordinary Americans cannot. For example, recent research showed that 90 percent of voters agreed with the statement, “There were too many special tax loopholes for corporations – we should eliminate loopholes and make the wealthiest Americans pay their fair share.” The percentage ticks up to 92 percent who agree with this statement when it is directed toward “the wealthiest Americans.”¹¹

This may explain why there are so many data points in the existing public opinion research that illustrate the intensity of support that exists for raising taxes on the wealthy and corporations:

- The [Public Religion Research Institute and The Atlantic](#) conducted research last September finding 72 percent of registered voters favor increasing taxes on Americans earning more than

⁷ Hart Research Associates on behalf of Americans for Tax Fairness, conducted June 2-7, 2017 among 1,200 2016 voters.

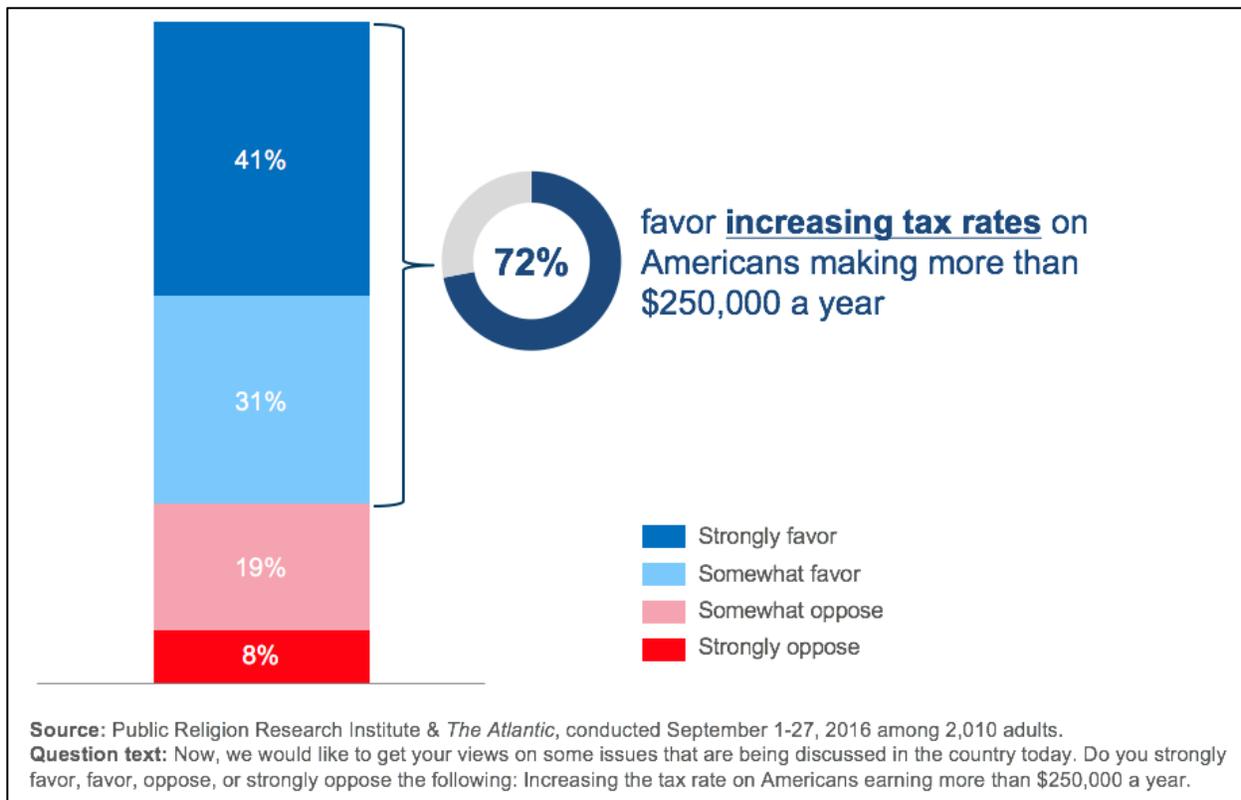
⁸ Associated Press-National Opinion Research Center, conducted March 23-27, 2017 among 1,110 adults.

⁹ YouGov, conducted April 2-4, 2016 among 1,000 adults.

¹⁰ Global Strategy Group.

¹¹ Global Strategy Group.

\$250,000 a year; only 27 percent were opposed.¹² Additionally, 41 percent strongly favored raising taxes on wealthier Americans, while only 9 percent were in strong opposition.



- Research conducted by The Mellman Group last October found that 69 percent of registered voters supported raising taxes on the wealthiest one percent of Americans – including 42 percent of Republicans – and was among the most intensely supported policy positions asked about in the survey.¹³
- In a November 2015 *CBS/The New York Times* survey, 63 percent of Americans favored increasing taxes on wealthy Americans and large corporations to reduce income inequality in the United States to just 31 percent who were opposed. Support for increasing taxes on the wealthy and corporations was not driven only by Democrats (84 percent favored), but also by nearly two-thirds of political independents (63 percent) and a strong proportion of Republican voters (38 percent).¹⁴
- An April 2016 *Gallup* survey found that 59 percent of Americans feel that “money and wealth in this country should be more evenly distributed among a larger percentage of the people,” versus just 34 percent who felt the current distribution of money and wealth in the country today is fair. In another question, a majority of Americans (52 percent) agreed “government should... redistribute wealth by heavy taxes on the rich,” in spite of question wording that could be considered tilted (e.g., “redistribute wealth” and “heavy taxes”), likely understating support for taxing the wealthy and corporations seen in other surveys cited here.¹⁵ It is also worth noting

¹² PRRI-*The Atlantic*, conducted September 1-27, 2016 among 2,010 adults.

¹³ The Mellman Group, conducted September-October 2016 among 6,000 registered voters.

¹⁴ CBS-*The New York Times*, conducted November 6-10, 2015 among 1,495 adults.

¹⁵ Gallup, conducted April 6-10, 2016 among 1,015 adults.



that this is the highest percentage agreeing with government involvement in imposing heavy taxes the wealthy since this question was first asked in 1939.

Moreover, Americans agree that raising taxes on the wealthy and corporations will yield economic benefits. In the April Global Strategy Group research, 88 percent agreed that “making sure the wealthiest Americans pay their fair share in taxes will help grow the economy.” When asked this question in the reverse construction – “lowering taxes on the highest-earning Americans will help grow the economy” – only 28 percent agree while 72 percent disagree, a thorough rejection of the conservative trickle-down economics approach.¹⁶ Additionally, in the June Hart Research survey, 56 percent of voters agreed that raising taxes on the wealthy and big corporations will generate funds needed to create jobs and grow the economy, compared to just 32 percent that disagreed.¹⁷

Key Point #3: Tax Cuts for the Wealthy and Corporations Put Vital, Popular Public Programs at Risk.

Over the past few months, progressives were able to beat back attempt after attempt to repeal and replace the Affordable Care Act by illustrating the importance of critical and essential public programs protecting our nation’s most vulnerable – particularly Medicaid for children, Americans with disabilities, and low-income earners. Educating the public and highlighting the impact of the hundreds of billions of dollars of cuts to Medicaid that were proposed in both the House and Senate bills was instrumental to generating enough opposition against the repeal efforts. As conservatives turn to the tax fight, it is important for progressives to continue illustrating the threat that highly regarded public programs face, particularly when it comes to health care programs like Medicaid and Medicare, retirement programs like Social Security, and other important programs like public education. The ultimate legislative vehicle that Republicans in Congress use to advance their tax cuts for the rich may or may not include direct cuts to these programs, services, and benefits, but they are under threat from enormous tax cuts regardless. Trillions of dollars in tax giveaways to the wealthy and corporations will put a tremendous strain on the revenue that is required to finance these important public programs, leaving them vulnerable to future cuts, a deliberate strategy that conservatives have tried to use in the past.

The public is decidedly not on board for that approach. When voters are asked about a tax plan offered by President Trump and the Republicans in Congress that could threaten programs like Medicare, Social Security, public education, and public health programs, 65 percent express doubts about putting their support behind such a plan, including among 70 percent of independents and 45 percent of Republicans.¹⁸ Another survey found that 64 percent were unfavorable toward any tax plan in which tax cuts are paid for through cuts to programs such as Social Security disability insurance, Medicaid, and student loans (only 16 percent were favorable). Moreover, in that same survey, 72 percent were unfavorable (56 percent that are very unfavorable) to any tax plan cutting funding for Medicare to pay for large tax cuts (only 13 percent were favorable). Finally, when given the option to protect education, Medicare, and other priorities from cuts versus reducing taxes across the board for people at all income levels, 69 percent chose protection of public programs over tax cuts (53 percent who strongly want to protect these programs).¹⁹

¹⁶ Global Strategy Group.

¹⁷ Hart Research Associates.

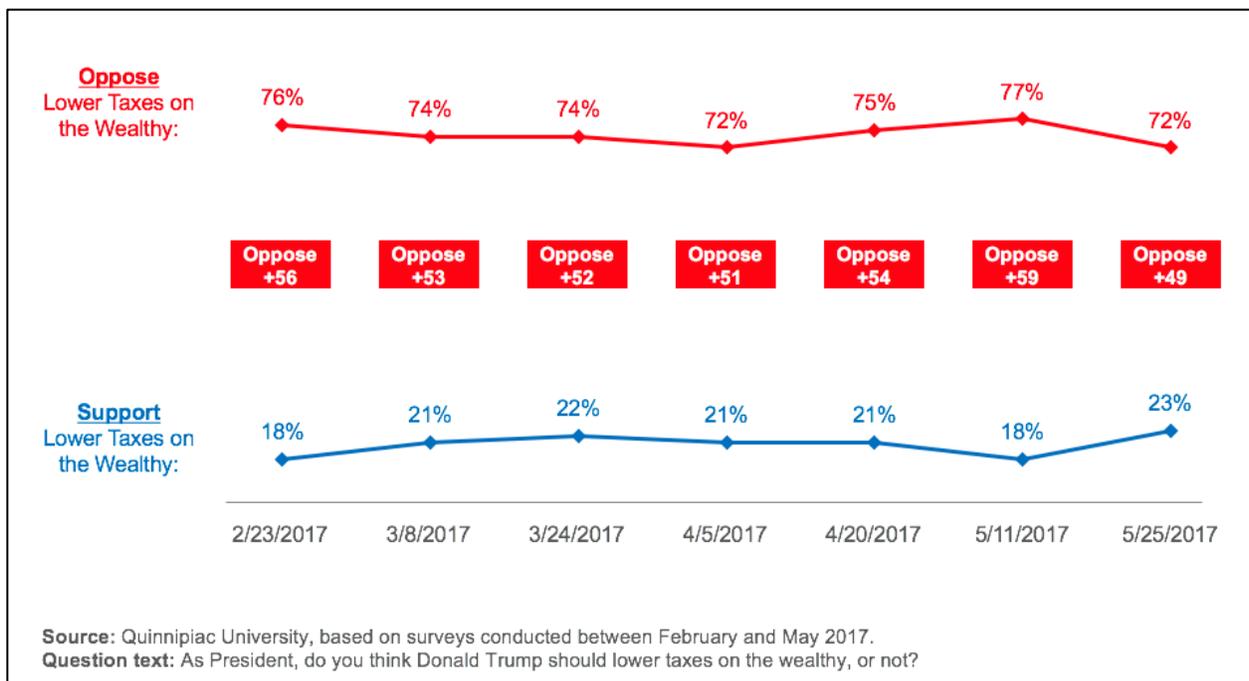
¹⁸ Global Strategy Group.

¹⁹ Hart Research Associates.



Key Point #4: Voters Want Elected Officials to Oppose Tax Cuts for the Wealthy and Corporations.

Given the deep unpopularity that the American public holds for tax cuts for the wealthy and corporations, it should not be surprising that they do not want politicians in Washington to pass any legislation that would do just that. Since President Trump was inaugurated in January, Quinnipiac University has conducted a series of tracking surveys that includes a question on whether President Trump should lower taxes for the wealthy. In each of the seven times this question has been asked, more than 70 percent of Americans have opposed President Trump pursuing this as part of his agenda.²⁰ In the [latest survey](#) they conducted on taxes in late May, even a plurality of Republicans opposed lowering taxes for the wealthy (48 percent opposed, 44 percent supported). Moreover, they also asked a separate question in a May survey that found 55 percent think it is a bad idea to lower taxes for corporations, while only 39 percent agreed that this would be a good idea.²¹



Furthermore, as voters become more aware of the degree to which the wealthiest Americans and large corporations will benefit from tax cuts, they become intensely unfavorable to the plans of President Trump and the Republican Congress. For example, 68 percent become more unfavorable to a plan where corporations that are holding \$2.6 trillion in profits offshore receive a collective \$600 billion tax cut (only 13 percent are more favorable), and 64 percent become more unfavorable to a plan where half of the total tax cut goes to the wealthiest one percent (only 10 percent are more favorable).²²

This prompts the question: how do voters want their elected officials to approach tax policy moving forward? The answer is, quite simply: they prefer progressive solutions such as cracking down on special tax loopholes for the wealthy and corporations, requiring millionaires to pay a minimum percentage of

²⁰ Quinnipiac University, based on surveys conducted between February and May 2017.

²¹ Quinnipiac University, conducted May 17-23, 2017 among 1,404 registered voters.

²² Hart Research Associates.



their income, and generally, raising taxes on the wealthiest Americans. In the June Global Strategy Group survey, huge majorities of registered voters indicated they want their elected officials to pursue these types of policies, including 86 percent who support requiring millionaires to pay at least 30 percent of their income in taxes (56 percent strongly support); 84 percent who support raising taxes on the wealthiest Americans (52 percent strongly support), and 82 percent who support eliminating tax breaks for companies that ship jobs overseas (57 percent strongly support).²³

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Progressives can win this tax debate. The public is on their side, and they must make their demand very simple from any tax proposal offered by President Trump and Congressional Republicans: not one penny in tax cuts should be given to the rich and well-connected, which will only make stack the deck more in their favor.

²³ Global Strategy Group.