

Program for Public Consultation

Consulting the People on Public Policy

Consulting the American People on the 2001/2003 Tax Cuts

February 16, 2012

Questionnaire

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Sample Size: 680

Margin of Error: Varies from +/- 4.8 points

MoE includes design effect of 1.6431

[Full Sample]

As you know, the economy is not doing well. There are various proposals for helping to get the economy going, all of which are controversial.

We will be presenting a number of these proposals to you. Most deal with changes to taxes. Some proposals cut certain taxes, with some cutting taxes paid by workers, while other would cut taxes paid by employers. Other proposals are for increasing tax revenues.

We would like to know what you think about these proposals. In each case we will explain the proposal. You will then read and evaluate a number of arguments for and against the proposal and then finally express your view.

There is no right or wrong answer, so please answer the questions based on your knowledge or impressions. If you do not know the answer to a question, you can simply skip it and go on to the next question.

Q1-Q7 previous released.

Statement: Now here are some proposals for individual income taxes.

As you may know, in 2001 and 2003 Congress passed temporary cuts to individual income taxes. These were supposed to expire at the end of 2010, with taxes returning to the levels that had been in place since 1994. However, in 2010 the tax cuts were extended to the end of 2012.

Here are three major proposals about what should happen after 2012—along with official estimates of the effect each approach would have on government revenue, compared to having the tax cuts expire, as currently mandated by law:

Proposal	Effect on government revenue
Having the income tax cuts expire (current law)	No effect
Making the tax cuts permanent for both those with high incomes and those making less.	Reduces projected revenue (i.e. increases deficit) by approximately \$3.7 trillion over the next decade.
Having the tax cuts expire for those with high incomes (households that make more than \$250,000 a year), but keeping the tax cuts for those making less.	Reduces projected revenue (i.e. increases deficit) by approximately \$3.0 trillion over the next decade.

Here are arguments for each of these positions. For each, please select how convincing or unconvincing you find them.

Two arguments in favor of having the tax cuts expire as currently mandated by law.

Q8. Ever since these tax cuts were put in place, the US has been running up its national debt to dangerously high levels—currently over \$14 trillion—undermining confidence in the US and leading to a downgrading of America’s credit rating. Keeping the tax cuts will produce crushing debt for the next generation, and threaten the economic recovery.

Very convincing.....	26%
Republicans.....	22
Democrats.....	32
Independents.....	24
Somewhat convincing.....	42
Republicans.....	45
Democrats.....	36
Independents.....	48
Somewhat unconvincing.....	17
Republicans.....	16
Democrats.....	18
Independents.....	17
Very unconvincing.....	11
Republicans.....	16
Democrats.....	11
Independents.....	6
Refused/Don’t know.....	3

Q9. All we’re talking about is returning to the tax rates of the late 1990s. The economy grew well then; there was job growth and a balanced budget. Since then the tax cuts have created huge deficits. The rich have gotten richer but there has been little job growth, while wages have stagnated for the middle class. It’s time to get back to a common-sense tax system that works for all Americans.

Very convincing.....	35%
Republicans.....	30
Democrats.....	40
Independents.....	31
Somewhat convincing.....	38
Republicans.....	36
Democrats.....	40
Independents.....	37

Somewhat unconvincing.....	14
Republicans.....	18
Democrats.....	11
Independents.....	13
Very unconvincing.....	10
Republicans.....	15
Democrats.....	5
Independents.....	10
Refused/Don't know.....	4

Two arguments in favor of making the tax cuts permanent for both those with high incomes and those making less.

Q10. People think that the easy thing is to soak the rich. But it is people with capital who are able to invest and create jobs. Taxing away their resources will only set back the economic recovery.

Very convincing.....	11%
Republicans.....	23
Democrats.....	4
Independents.....	8
Somewhat convincing.....	35
Republicans.....	43
Democrats.....	28
Independents.....	35
Somewhat unconvincing.....	33
Republicans.....	27
Democrats.....	35
Independents.....	36
Very unconvincing.....	18
Republicans.....	5
Democrats.....	29
Independents.....	18
Refused/Don't know.....	3

Q11. It is true that the deficit is a problem, but the solution is to cut spending, not increase taxes. Government is simply too big. When government sucks money out of the economy through taxes it undermines the entrepreneurial spirit and weakens the economic vitality of America.

Very convincing.....	41%
Republicans.....	60
Democrats.....	24
Independents.....	45
Somewhat convincing.....	31
Republicans.....	26
Democrats.....	36
Independents.....	28
Somewhat unconvincing.....	17
Republicans.....	10
Democrats.....	23
Independents.....	14
Very unconvincing.....	9
Republicans.....	2
Democrats.....	14
Independents.....	10
Refused/Don't know.....	3

Two arguments in favor of having the tax cuts expire for those with high incomes (households that make more than \$250,000 a year), but keeping the tax cuts for those making less.

Q12. People with low to middle incomes shouldn't be hit with a tax increase in an economic downturn. If they suddenly have less, this will reduce demand, lower sales and hurt the economy. But this isn't true of the 1-2% with household incomes above \$250,000--they aren't going to change their spending because of a tax increase that represents only a small percentage of their overall income.

Very convincing.....	36%
Republicans.....	28
Democrats.....	42
Independents.....	35
Somewhat convincing.....	37
Republicans.....	43
Democrats.....	35
Independents.....	34
Somewhat unconvincing.....	15
Republicans.....	17
Democrats.....	13
Independents.....	15

Very unconvincing.....	9
Republicans.....	11
Democrats.....	6
Independents.....	12
Refused/Don't know.....	3

Q13. Since the tax cuts went into effect a decade ago, the level of inequality in America has grown far worse. It's time for the rich—who have grown far richer—to contribute their fair share again. At the same time, the middle class—whose wages have been stagnant or worse—still needs a break.

Very convincing.....	41%
Republicans.....	28
Democrats.....	53
Independents.....	39
Somewhat convincing.....	27
Republicans.....	25
Democrats.....	26
Independents.....	30
Somewhat unconvincing.....	17
Republicans.....	24
Democrats.....	11
Independents.....	17
Very unconvincing.....	11
Republicans.....	20
Democrats.....	5
Independents.....	9
Refused/Don't know.....	4

Q14. Now having considered these arguments, which approach do you favor for dealing with the tax cuts passed by Congress in 2001 and 2003 and extended in 2010:

Having the tax cuts expire, as currently mandated by law.....	24%
Republicans.....	24
Democrats.....	28
Independents.....	18
Making the tax cuts permanent for both those with high incomes and those making less.....	22
Republicans.....	33
Democrats.....	10
Independents.....	27

Having the tax cuts expire for those with high incomes (households that make more than \$250,000 a year), but keeping the tax cuts for those making less	49
Republicans.....	41
Democrats	55
Independents	49
 Refused/Don't know	 5

Q14a. If Congress adopts a plan to let tax cuts expire for households with high incomes, do you think the cut off point should be \$250,000 a year or some other amount? Please choose what you think the cut off point should be:

\$150,000.....	28%
Republicans.....	16
Democrats	32
Independents	41
 \$250,000.....	 43
Republicans.....	39
Democrats	46
Independents	44
 \$500,000.....	 23
Republicans.....	39
Democrats	18
Independents	10
 Refused/Don't know	 5