

United States Tax Policy

Ipsos Poll conducted on behalf of National Public Radio

Washington, DC, April 13, 2017 – While nothing may be certain except death and taxes, according to our new NPR/Ipsos poll, most Americans are not too certain about the taxes part.

Only about 1/3 of Americans say they know a fair amount or more about U.S. tax policy. This is backed up by a series of knowledge questions where, at best, half of Americans are able to give correct answers. Only a third of Americans realize that top earners are paying less in income taxes now than they were in 1980. Likewise, only a quarter understand that income tax rates in the United States are lower (often significantly so) than the tax rates in other Western Democracies.

Perhaps Americans struggle with taxes because the federal tax code is too complicated (a sentiment 86% of Americans agree with) or perhaps it is because Americans are not sure what they want from our tax policy. For instance, 55% of Americans say the income tax rate for all Americans should be lowered and 65% support the abolishment of the estate tax; but, when asked about tax rates for millionaires, 75% believe rich people should be paying more in taxes.

1. How much, if anything, would you say you know about US tax policy? (Select one)

	Total	Democrat	Republican	Independent
A great deal	11%	13%	14%	4%
A fair amount	25%	27%	25%	26%
A little bit	45%	43%	43%	55%
Nothing at all	19%	18%	17%	15%

- 2. To the best of your knowledge are the following statements about U.S. tax policy <u>TRUE</u> or <u>FALSE</u>?
 - a. The estate tax affects less than 1% of people inheriting in the United States

	Total	Democrat	Republican	Independent
True	50%	52%	53%	53%
False	25%	25%	28%	24%
Don't know	25%	23%	20%	23%

b. The top federal income tax rate for a married couple filing jointly is about 40%

	Total	Democrat	Republican	Independent
True	48%	48%	50%	48%
False	25%	24%	27%	25%
Don't know	27%	28%	24%	27%

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c. 75% of the federal government's revenue comes from personal income taxes

	Total	Democrat	Republican	Independent
True	49%	50%	48%	53%
False	26%	26%	29%	23%
Don't know	25%	24%	23%	24%

- 3. To the best of your knowledge are the following statements about U.S. tax policy <u>TRUE</u> or <u>FALSE</u>?
 - a. About 9% of people mail their taxes, as opposed to e-filing, or filing on the internet

	Total	Democrat	Republican	Independent
True	54%	54%	53%	56%
False	21%	23%	22%	21%
Don't know	25%	23%	26%	23%

b. For the highest earners, the percent of federal income taxes they pay now is significantly higher than it was in 1980

	Total	Democrat	Republican	Independent
True	44%	39%	52%	44%
False	34%	43%	28%	31%
Don't know	21%	18%	20%	25%

c. The President and Vice President are audited by the IRS each year

	Total	Democrat	Republican	Independent
True	27%	26%	31%	20%
False	41%	42%	38%	43%
Don't know	33%	32%	30%	38%

d. For 2016 returns, taxes are due on April 18th

	Total	Democrat	Republican	Independent
True	72%	71%	73%	74%
False	20%	23%	18%	20%
Don't know	8%	6%	9%	7%

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4. What are the odds of being audited by the Internal Revenue Service (IRS)?

	Total	Democrat	Republican	Independent
1 in 36	8%	8%	4%	9%
1 in 119	9%	8%	11%	11%
1 in 500	24%	25%	22%	18%
1 in 1,690	26%	28%	27%	24%
1 in 5,256	33%	31%	36%	38%

5. About what percent of working Americans have zero or negative income taxes?

	Total	Democrat	Republican	Independent
11%	39%	44%	35%	41%
27%	31%	28%	33%	32%
45%	21%	21%	23%	22%
63%	9%	7%	9%	5%

6. Compared to other Western Democracies, is the average federal income tax rate in the United States... (Select one)

	Total	Democrat	Republican	Independent
Much higher	14%	14%	15%	12%
Somewhat higher	33%	33%	38%	28%
About the same	15%	16%	12%	17%
Somewhat lower	20%	17%	22%	30%
Much lower	6%	8%	5%	2%
Don't know	13%	12%	8%	11%
Total Higher	46%	47%	53%	40%
Total Lower	26%	26%	26%	32%

- 7. Do you agree or disagree with the following statements?
 - a. Tax cuts for the wealthy lead to economic growth

	Total	Democrat	Republican	Independent
Strongly agree	12%	10%	19%	8%
Somewhat agree	25%	19%	33%	29%
Somewhat disagree	31%	23%	33%	40%
Strongly disagree	32%	48%	14%	24%
Total Agree	37%	29%	53%	36%
Total Disagree	63%	71%	47%	64%

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b. Lower-income people pay too much income tax

	Total	Democrat	Republican	Independent
Strongly agree	31%	40%	18%	30%
Somewhat agree	36%	41%	32%	33%
Somewhat disagree	23%	14%	31%	24%
Strongly disagree	11%	5%	18%	13%
Total Agree	67%	81%	50%	62%
Total Disagree	33%	19%	50%	38%

c. [MODULE 1] The estate tax should be abolished

	Total	Democrat	Republican	Independent
Strongly agree	28%	21%	37%	38%
Somewhat agree	37%	30%	44%	33%
Somewhat disagree	25%	31%	18%	21%
Strongly disagree	10%	18%	1%	7%
Total Agree	65%	51%	81%	71%
Total Disagree	35%	49%	19%	29%

d. [MODULE 2] The death tax should be abolished

	Total	Democrat	Republican	Independent
Strongly agree	35%	32%	46%	26%
Somewhat agree	41%	39%	38%	50%
Somewhat disagree	19%	22%	12%	19%
Strongly disagree	6%	8%	5%	5%
Total Agree	76%	71%	83%	76%
Total Disagree	24%	29%	17%	24%

e. Federal income taxes should be cut for all income levels

	Total	Democrat	Republican	Independent
Strongly agree	22%	17%	29%	24%
Somewhat agree	33%	28%	40%	34%
Somewhat disagree	31%	37%	24%	29%
Strongly disagree	13%	18%	7%	13%
Total Agree	55%	45%	69%	58%
Total Disagree	45%	55%	31%	42%

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f. The government should cut taxes even if it causes the national debt to increase

	Total	Democrat	Republican	Independent
Strongly agree	12%	10%	15%	12%
Somewhat agree	29%	28%	31%	28%
Somewhat disagree	42%	40%	42%	42%
Strongly disagree	17%	22%	13%	18%
Total Agree	41%	37%	46%	40%
Total Disagree	59%	63%	54%	60%

- 8. Should tax rates be raised, lowered or kept the same for people with an annual income of...
 - a. \$49,000 or less

	Total	Democrat	Republican	Independent
Raised a lot	2%	2%	3%	1%
Raised a little	7%	6%	9%	7%
Kept the same	31%	28%	35%	31%
Lowered a little	41%	42%	38%	42%
Lowered a lot	19%	22%	14%	19%
Total Raised	9%	9%	12%	8%
Total Lowered	60%	64%	52%	61%

b. \$50,000 - \$99,000

	Total	Democrat	Republican	Independent
Raised a lot	4%	3%	4%	5%
Raised a little	13%	14%	12%	15%
Kept the same	39%	40%	41%	39%
Lowered a little	37%	37%	36%	37%
Lowered a lot	7%	7%	7%	4%
Total Raised	17%	16%	16%	20%
Total Lowered	44%	44%	43%	41%

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c. \$100,000 - \$249,000

	Total	Democrat	Republican	Independent
Raised a lot	10%	11%	6%	15%
Raised a little	37%	43%	30%	41%
Kept the same	32%	32%	35%	28%
Lowered a little	16%	10%	25%	12%
Lowered a lot	5%	4%	4%	3%
Total Raised	47%	54%	36%	56%
Total Lowered	21%	14%	29%	16%

d. \$250,000 - \$999,000

	Total	Democrat	Republican	Independent
Raised a lot	32%	39%	18%	40%
Raised a little	38%	42%	38%	34%
Kept the same	15%	10%	20%	16%
Lowered a little	11%	4%	21%	9%
Lowered a lot	4%	5%	4%	1%
Total Raised	70%	81%	56%	74%
Total Lowered	15%	9%	25%	10%

e. \$1,000,000 or more

	Total	Democrat	Republican	Independent
Raised a lot	54%	63%	40%	61%
Raised a little	21%	23%	22%	20%
Kept the same	12%	8%	18%	9%
Lowered a little	9%	3%	15%	8%
Lowered a lot	4%	3%	5%	2%
Total Raised	75%	85%	62%	81%
Total Lowered	13%	7%	20%	10%

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- 9. Should tax rates be raised, lowered or kept the same for businesses with...
 - a. Fewer than 50 employees

	Total	Democrat	Republican	Independent
Raised a lot	2%	2%	4%	*
Raised a little	5%	5%	4%	4%
Kept the same	34%	39%	32%	29%
Lowered a little	41%	40%	42%	44%
Lowered a lot	18%	13%	18%	23%
Total Raised	7%	8%	8%	4%
Total Lowered	59%	53%	60%	67%

b. 50 to less than 500 employees

	Total	Democrat	Republican	Independent
Raised a lot	3%	3%	3%	5%
Raised a little	11%	13%	10%	9%
Kept the same	48%	53%	45%	46%
Lowered a little	32%	29%	33%	35%
Lowered a lot	6%	2%	9%	5%
Total Raised	14%	17%	13%	14%
Total Lowered	37%	31%	42%	40%

c. 500 to less than 1,000 employees

	Total	Democrat	Republican	Independent	
Raised a lot	7%	9%	5%	7%	
Raised a little	32%	37%	31%	25%	
Kept the same	43%	43%	39%	47%	
Lowered a little	15%	9%	21%	18%	
Lowered a lot	4%	3%	3%	2%	
Total Raised	38%	45%	37%	32%	
Total Lowered	18%	12%	25%	20%	

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d. 1,000 or more employees

	Total	Democrat	Republican	Independent
Raised a lot	24%	30%	19%	17%
Raised a little	35%	38%	30%	39%
Kept the same	28%	23%	31%	31%
Lowered a little	10%	5%	15%	12%
Lowered a lot	4%	3%	4%	2%
Total Raised	59%	69%	49%	55%
Total Lowered	13%	9%	19%	14%

10. Do you agree or disagree with the following statements?

a. The federal income tax you pay is too high

	Total	Democrat	Republican	Independent
Strongly agree	30%	26%	34%	28%
Somewhat agree	47%	5 45% 47% 55%		55%
Somewhat disagree	20%	25%	17%	14%
Strongly disagree	3%	4%	2%	3%
Total Agree	77% 71% 81%		83%	
Total Disagree	23%	29%	19%	17%

b. The tax code for the United States is too complicated

	Total	Democrat	Republican	Independent
Strongly agree	44%	42%	42% 48% 49%	
Somewhat agree	e 42% 40% 40%		41%	
Somewhat disagree	11%	14%	11%	8%
Strongly disagree	3%	4%	1%	2%
Total Agree	86%	82%	89%	90%
Total Disagree	Disagree 14%		11%	10%

c. It is sometimes ok for people to not report all their income on their taxes

	Total	Democrat	Republican	Independent
Strongly agree	6%	7%	6%	5%
Somewhat agree	19%	20% 17% 16%		16%
Somewhat disagree	27%	26%	25%	33%
Strongly disagree	48%	47%	51%	45%
Total Agree	25%	27%	24%	22%
Total Disagree	75%	73%	76%	78%

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d. Tax rates should be the same for everyone

	Total	Democrat	Republican	Independent
Strongly agree	17%	13%	21%	20%
Somewhat agree	25% 21% 33% 1		19%	
Somewhat disagree	33%	31%	31%	39%
Strongly disagree	25%	35%	16%	22%
Total Agree	41%	34%	54%	39%
Total Disagree	59%	66%	46%	61%

e. The tax rate on income from work should be lower than the tax rate on income from wealth

	Total	Democrat	Republican	Independent
Strongly agree	26%	25%	24%	37%
Somewhat agree	49%	52%	47%	47%
Somewhat disagree	20%	19%	24%	15%
Strongly disagree	5%	4%	6%	1%
Total Agree	75%	77%	71%	84%
Total Disagree	25%	23%	29%	16%

11. What do you think is the point of the federal tax code? See verbatims

12. How do you get most of your news?

	Total	Democrat	Republican	Independent
Television	62%	67%	65%	58%
Online/internet	52%	54%	49%	56%
Social media (Twitter, Facebook)	27%	28%	25%	24%
Print newspapers/magazines	25%	28%	24%	25%
Radio	19%	19%	17%	24%
Mobile News apps	15%	18%	17%	10%
None of the above	3%	2%	1%	2%

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13. Of the choices listed below, which is your main source of television news?

	Total	Democrat	Republican	Independent
FOX News	19%	7%	37%	17%
CNN	18%	27%	12%	13%
ABC	15%	15%	12%	18%
NBC	11%	12%	12%	10%
CBS	11%	13%	11%	11%
Public Television	4%	5%	2%	5%
MSNBC	4%	8%	1%	1%
Other	4%	4%	2%	5%
None of the above	13%	8%	11%	20%

14. With which political party do you most identify?

	Total	Democrat	Republican	Independent	Module 1 (estate tax)	Module 2 (death tax)
Strong Democrat	16%	38%	*	*	17%	15%
Moderate Democrat	17%	40%	*	*	17%	17%
Lean Democrat	9%	23%	*	*	10%	9%
Lean Republican	9%	*	28%	*	8%	9%
Moderate Republican	13%	*	42%	*	13%	12%
Strong Republican	9%	*	30%	*	9%	9%
Independent	16%	*	*	100%	15%	18%
Other	3%	*	*	*	3%	3%
Don't know / Refuse	8%	*	*	*	8%	8%

15. How would you describe the area in which you live?

	Total	Democrat	Republican	Independent	Module 1 (estate tax)	Module 2 (death tax)
Rural	22%	17%	28%	23%	24%	21%
Suburban	47%	46%	49%	51%	49%	45%
Urban	31%	37%	24%	26%	28%	34%

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About the Study

These are findings from an Ipsos poll conducted April 11-12, 2017 on behalf of National Public Radio. For the survey, a sample of roughly 1,010 adults age 18+ from the continental U.S., Alaska and Hawaii was interviewed online in English. The sample includes 379 Democrats, 341 Republicans, and 181 Independents. The sample was divided in half between Module 1 and Module 2, with 507 respondents in Module 1 and 503 respondents in Module 2.

The sample for this study was randomly drawn from Ipsos's online panel (see link below for more info on "Access Panels and Recruitment"), partner online panel sources, and "river" sampling (see link below for more info on the Ipsos "Ampario Overview" sample method) and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to each study, in drawing sample. After a sample has been obtained from the Ipsos panel, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is U.S. Census 2013 American Community Survey data. The sample drawn for this study reflects fixed sample targets on demographics. Post-hoc weights were made to the population characteristics on gender, age, race/ethnicity, region, and education.

Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 3.5 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,010, DEFF=1.5, adjusted Confidence Interval=5).

The poll also has a credibility interval plus or minus 5.7 percentage points for Democrats, plus or minus 6.1 percentage points for Republicans, and plus or minus 8.3 percentage points for Independents. The poll also has a credibility interval of plus or minus 5.0 percentage points for Module 1 and plus or minus 5.0 percentage points for Module 2.

For more information about conducting research intended for public release or Ipsos' online polling methodology, please visit our <u>Public Opinion Polling and Communication</u> page where you can download our brochure, see our public release protocol, or contact us.

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With offices in 88 countries, Ipsos delivers insightful expertise across five research specializations: brand, advertising and media, customer loyalty, marketing, public affairs research, and survey management.

Ipsos researchers assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media and they measure public opinion around the globe.

Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,785.3 million (\$1,981 million) in 2015.

GAME CHANGERS

« Game Changers » is the Ipsos signature.

At Ipsos we are passionately curious about people, markets, brands and society. We make our changing world easier and faster to navigate and inspire clients to make smarter decisions. We deliver with security, speed, simplicity and substance. We are Game Changers.

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