

TO: Interested Parties

FROM: Guy Molyneux and Geoff Garin, Hart Research Associates

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RE: Voters' Support For Democratic Tax Priorities

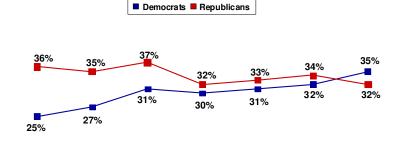
On behalf of Americans for Tax Fairness, Hart Research interviewed 1,009 U.S. presidential election voters, including 201 cell-only voters, on November 7 to 9. The survey assessed the role of the tax issue in voters' electoral decision-making, attitudes on the issue of ending the Bush tax cuts for upper-income taxpayers, and support for various deficit-reduction proposals. This memo reviews the survey's key findings.

Democrats have erased the Republican advantage on the tax issue.

- Historically, Republican candidates have counted on the tax issue to help them at the ballot box. But that was not true in 2012, as voters concentrated on the goal of tax fairness. Fully two-thirds (67%) of voters indicate that making the tax system fairer was an important consideration in their voting decisions. Of this group, 58% supported President Obama while only 40% supported Governor Romney. The benefit to Democrats was even stronger in Senate races, where 62% of these voters supported the Democratic candidate compared with just 36% who supported the Republican.
- Leading up to the 2010 mid-term elections, Republicans enjoyed a sixpoint edge on the question of which party voters thought would do a better job dealing with taxes. Two years later, Democrats have erased that edge, with 35% of voters now saying the Democratic Party would do a better job dealing with taxes while just 32% select the Republican Party.

Democrats Eliminate GOP Advantage On Taxes

When it comes to dealing with taxes, which party do you think would do a better job—the Democratic Party, the Republican Party, or both about the same?*



*All data except Nov. 2012 taken from surveys conducted by Peter Hart and Bill McInturff on behalf of NBC News and the Wall St. Journal.

Mar 2010 Aug 2010 Oct 2010 Apr 2011 Dec 2011 Jun 2012 Nov 2012

Americans want to end the Bush tax cuts on income over \$250,000, and they will blame Republicans if the tax cuts expire for all incomes.

- By a strong 17-point margin, voters favor ending the Bush tax cuts on income over \$250,000 (56%) rather than extending the tax cuts for all taxpayers (39%). Independents (54%), moderates (64%), and swing voters (62%) all support ending the high-end Bush tax cuts. (Swing voters are those who considered supporting the other candidate).
- President Obama now holds a commanding position in the debate over tax policy. When voters hear President Obama's position on the Bush tax cuts—that he will sign a bill continuing them for 98% of Americans but will veto a bill continuing them for incomes over \$250,000—fully 61% agree with his stance, including 40% who strongly agree, and only 35% disagree. By contrast, when voters are read congressional Republicans' position—that they will pass a bill continuing the cuts for all income levels, but will block any bill ending the cuts for those making over \$250,000—only 42% agree with that position, while a 53% majority reject it.
- If no agreement is reached and the Bush tax cuts expire for all Americans, voters say by 15 points that they will blame Republicans in Congress (43%), not President Obama (28%), for the resulting tax increase. Democrats clearly will win support from the middle of the electorate in this scenario. By lopsided margins, such key voting groups as independents (+21 points), swing voters (+34 points), and moderates (+30 points) say that they will blame congressional Republicans more than the president.

Voters want to reduce the budget deficit by increasing revenue through progressive tax measures, not by cutting entitlement programs.

- Fully 84% of voters approve of increasing taxes on the profits American corporations make overseas, to ensure that they pay the same taxes on those as they do on domestic profits.
- Voters also favor a surtax of 5% on personal incomes of more than \$1 million (61%), ending the preferential tax treatment of the sale of stocks and other assets (61%), and increasing the estate tax on estates of more than \$7 million (58%).
- By contrast, nearly two-thirds of voters (64%) <u>disapprove</u> of raising the age for Medicare eligibility from 65 to 67, and 78% oppose cuts to Medicaid benefits.

Voters Say To Reduce The Deficit Through Progressive Tax Policies, Not Entitlement Cuts

	Total Approve	Total Disapprove
Increase taxes on the profits that American corporations make overseas, to ensure they pay as much on foreign profits as they do on profits made in the United States.	84%	11%
Pass legislation to prevent corporations and wealthy individuals from avoiding U.S. taxes by shifting income earned here in the United States to overseas tax havens.	61%	33%
Place a surtax of 5% on income over \$1 million per year.	61%	31%
End the lower tax rate on income from selling stocks and other assets, so that investors pay the same tax rates as workers do on their earnings.	61%	28%
Increase the estate tax, also called the inheritance tax, on estates of more than \$7 million for a couple.	58%	32%
Raise the age for Medicare eligibility from 65 to 67.	30%	64%
Cut Medicaid benefits.	16%	78%