

September 20, 2022

**To: Interested Parties**

**Fr: Impact Research, Americans for Tax Fairness, and Americans for Tax Fairness Action Fund**

**Re: Poll Shows Tax Components are Key Selling Points of Inflation Reduction Act**

Impact Research, working with Americans for Tax Fairness and Americans for Tax Fairness Action Fund, recently conducted a nationwide poll focused on the Inflation Reduction Act among 1,200 likely 2022 voters. The poll included an oversample of 200 Independents to help provide greater confidence on messaging guidance with swing voters. We found that there is low awareness about the law, but when voters learn more about it, support rises to 70%. The poll also finds that the law's tax provisions, along with its reduction of prescription drug and healthcare costs, are its most popular components and are critical to communicate to boost support for the law and to defend against Republican attacks.

Below are our full findings and messaging recommendations from the survey:

### **Key Findings**

- **Awareness of the Inflation Reduction Act's components is low.** Only a fifth of voters report having heard *a lot* about the IRA (20%), including just 16% of Independents.
- **However, when we give respondents a description of the IRA, over two-thirds support it.** When voters hear a description about what the law does, 70% are in favor of it, while just 25% oppose it. Nearly all Democrats support it (96%), over two-thirds of Independents back it (67%), and even a plurality of Republicans favor it (47%). Support is especially high among Black (87%) and Latino voters (83%), as well as voters under 35 (86%).
- **The most popular components of the IRA address prescription drugs/healthcare and taxes.** Components focused on these issues consistently emerge as most popular throughout the poll and get far more traction than components related to clean energy, climate change, energy costs, or the deficit. Additionally, in open-end responses on the best reason to support the IRA following messaging, voters overall and Independents were most likely to cite the law's tax components, followed closely by prescription drug costs, with both of these categories ranking far ahead of other reasons.

From August 30 - September 7, 2022, Impact Research, Americans for Tax Fairness, and Americans for Tax Fairness Action Fund conducted a nationwide online survey of likely 2022 voters. The survey consisted of N=1200 respondents, including a base sample of N=1000 likely voters and an N=200 oversample of pure Independents (not including leaners). In total, N=312 pure Independents were interviewed. The 95% confidence interval for the base sample is +/- 3.10 percentage points.

➤ **Messaging should highlight how it lowers costs by:**

- *Giving Medicare the power to negotiate lower prescription drug prices*
- *Capping out-of-pocket prescription drug costs and the cost of insulin at \$35 for seniors*
- *Reducing health care premiums by an average of \$800 a year for 13 million people*

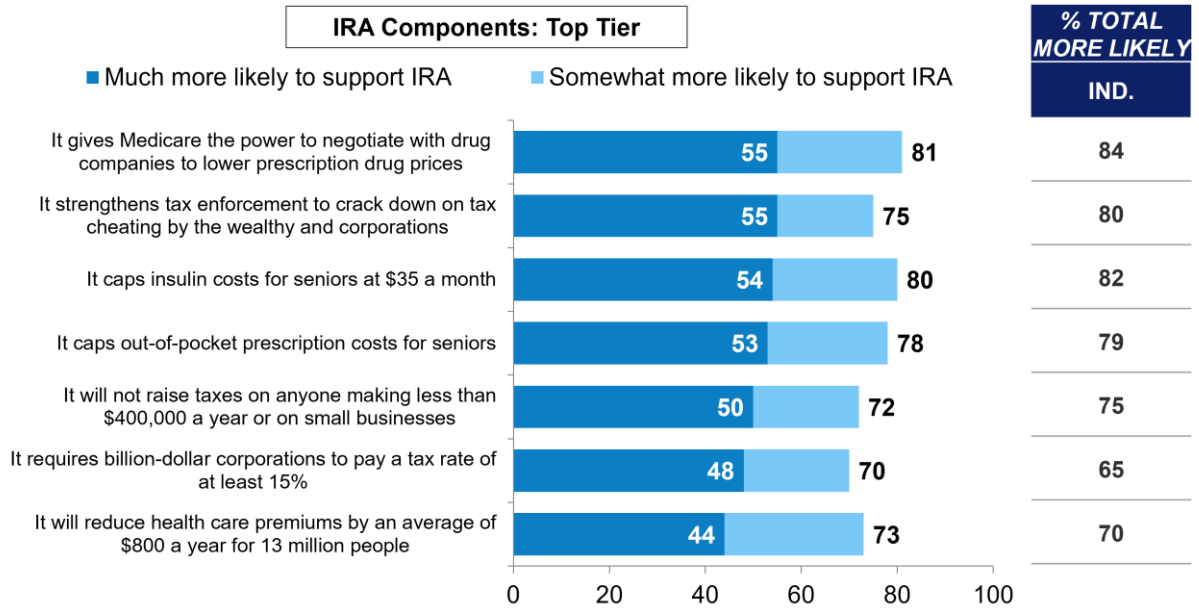
➤ **And how it is paid for (and NOT paid for) by:**

- *Strengthening tax enforcement to crack down on tax cheating by the wealthy and corporations*
- *Requiring billion-dollar corporations to pay a tax rate of at least 15%*
- *Not raising taxes on anyone making under \$400,000 or on small businesses*

➤ **Explaining how the law will be paid for increases *strong support for it among Independents*.** Highlighting who is paying for the IRA (and who is not paying for it) is critical. Informing voters how the IRA will be paid for, including references to it requiring billion-dollar corporations to pay a minimum tax rate of 15% and by cracking down on tax cheating by the wealthy and corporations, causes strong support for the law to rise by 7 points among Independents.

➤ **Suggested message to boost support for the IRA:**

*The Inflation Reduction Act will help reduce inflation by allowing Medicare to negotiate lower drug prices, capping out-of-pocket prescription drug costs and the cost of insulin for seniors, and lowering health care premiums by an average of \$800 a year for 13 million people. It also invests in increasing the production of clean energy to combat climate change and reduces the federal budget deficit by \$300 billion. It is fully paid for by cracking down on wealthy and corporate tax cheats and by making billion-dollar corporations pay a fairer share of taxes. And it will not raise taxes on anyone making under \$400,000 or on small businesses.*



➤ **That the IRA also requires corporations to pay a 1% tax on stock buybacks is also popular.** While not quite as popular as some of the IRA’s other tax components, this component is also a net positive, with 63% of voters saying it makes them more likely to support the law.

➤ **We have very effective responses to Republican attacks on the Inflation Reduction Act.** Our best response to attacks from Republicans on government spending, inflation, and taxes allowed us to win that debate by a 14-point margin, and our best response to an attack on IRS funding prevailed by 13 points. In both cases our margin was even better with Independents.

➤ **The best response to GOP attacks on spending, inflation, and taxes is that:**

*The Inflation Reduction Act is more than fully paid for – in fact, it will reduce the deficit by \$300 billion. It does this by making billion-dollar corporations pay a fairer share of taxes, by cracking down on wealthy and corporate tax cheats, and by preventing price gouging by drug corporations. It will not raise taxes on anyone making under \$400,000.*

➤ **The best response to GOP attacks on IRS funding is that:**

*By restoring IRS staffing levels to where they were before deep Republican budget cuts, the Inflation Reduction Act will make the IRS work better for taxpayers. That means shorter waits to get tax refunds and questions answered and catching more wealthy and corporate tax cheats.*

### **Messaging Recommendations on IRA Tax Components**

- **Best messaging on the 15% minimum tax rate for billion-dollar corporations:**
  - *55 big corporations paid \$0 in federal income taxes in 2020*
  - *The Inflation Reduction Act ensures billion-dollar corporations will no longer pay a lower tax rate than average Americans, including nurses, firefighters, and teachers.*
- **Best messaging on strengthening the IRS:**
  - ***Talk about strengthening “tax enforcement” instead of “IRS enforcement.” The latter is less effective due to the negative ratings of the IRS.***
  - *The richest 1% avoid paying \$160 billion a year that they owe in taxes due to a lack of tax enforcement.*
  - *The Inflation Reduction Act strengthens tax enforcement to help catch wealthy and corporate tax cheats who avoid paying what they owe in taxes.*

### **Billionaire Minimum Income Tax Findings**

- **A Billionaire Minimum Income Tax of 20% is extremely popular, with 74% of likely voters supporting it.** Three-quarters of voters support requiring households worth more than \$100 million to pay at least 20% of their annual income in taxes. Democrats (94%) and Independents (72%) overwhelmingly support it, along with a majority of Republicans (55%).
- **Referencing the Billionaire Minimum Income Tax boosts support for a Congressional candidate among Independents.** When the Billionaire Minimum Income Tax is included in messaging similar to what many Frontline Democrats are using, it increases the effectiveness of the messaging among Independents by an 8-point margin. The impact of including the Billionaire Minimum Income Tax message is especially effective among non-college Independents, boosting their support by 18 points.

Below is the message tested, with the italicized text on the Billionaire Minimum Income Tax shown to only half the sample in order to get a read on the impact of the message with and without it referenced:

To help Americans keep up with rising costs, Democrats passed legislation that allows Medicare to negotiate lower drug prices and that brings the manufacturing of supply chains back to the U.S. Now they need to pass legislation that bans members of Congress from trading individual stocks and *pass a billionaires income tax that makes them pay their fair*

*share by requiring those worth more than \$100 million to pay an income tax rate of at least 20%.*

➤ **Best messaging on a Billionaire Minimum Income Tax:**

- *Many billionaires are currently paying a lower tax rate than the average taxpayer, including nurses, firefighters, and teachers.*
- *The billionaire income tax will close a loophole that currently allows some billionaires to pay little or no federal income taxes on their investment gains.*