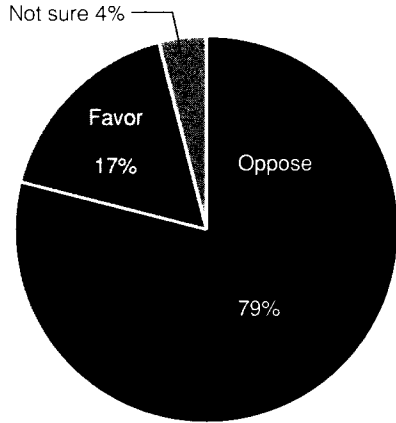


# THE TRUTH ABOUT TAXES

**Question:** Let us suppose the government needed to raise taxes. For each of the following please tell me if you would favor or oppose raising that tax. ...

## Increasing the income tax rate for individuals



**Source:** Survey by Hart/Teeter Research Companies for NBC News/*Wall Street Journal*, January 13-16, 1990.

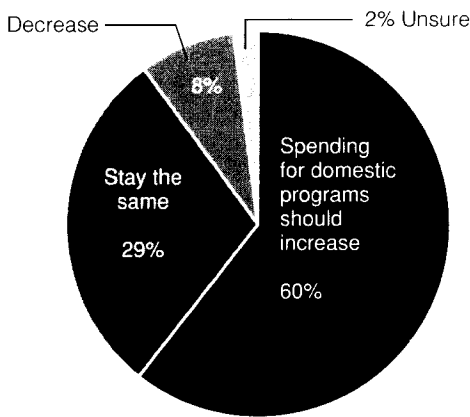
**Question:** Would you be willing to pay higher taxes if the money was used for...

## Would be willing to pay higher taxes if money was used for ...



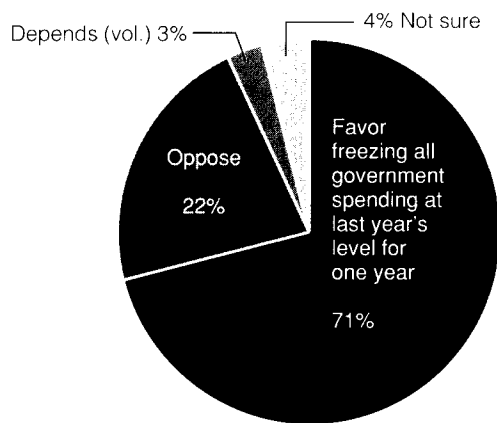
**Source:** Survey by Yankelovich Clancy Shulman for *Time* and Cable News Network, October 9-10, 1989.

**Question:** Do you think that spending for domestic programs should increase, decrease, or remain the same in the coming year?



**Source:** Survey by the Marist Institute, January 29-31, 1990.

**Question:** I'm going to mention several proposals. For each one, please tell me whether you would favor or oppose it as a part of an overall program to reduce the federal budget deficit. ...

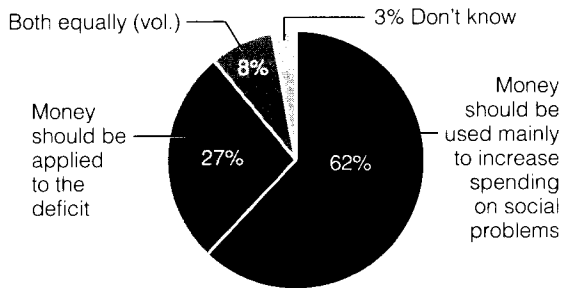


**Source:** Survey by Hart/Teeter Research Companies for NBC News/*Wall Street Journal*, January 13-16, 1990.

Poll reports on the current mood on taxes are riddled with unresolved contradictions—as the above data show.

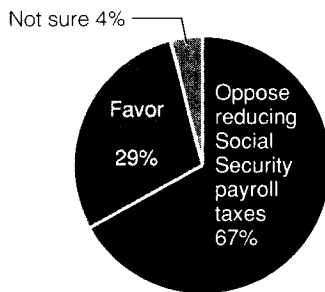
**Question:** If the defense budget is cut sharply, money would be available to be spent in other ways. Do you think money should mainly be used to increase spending on social problems such as homelessness, poverty, drugs, and education, or should this money be used to reduce the federal budget deficit?

**If defense budget is cut sharply ...**



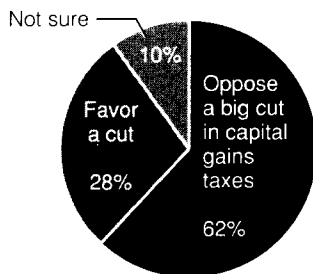
**Source:** Survey by the Gallup Organization, January 4-7, 1990.

**Question:** Please tell me if you favor or oppose the following tax proposals...reducing Social Security payroll taxes.



**Source:** Survey by Yankelovich Clancy Shulman for *Time* and Cable News Network, January 31-February 1, 1990.

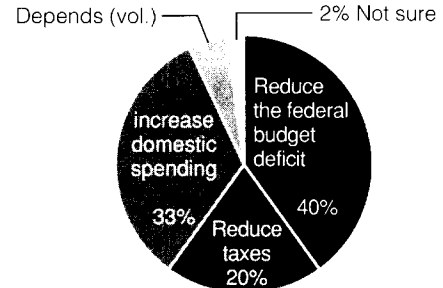
**Question:** The Bush Administration has proposed a big cut in capital gains taxes, arguing that the cut will lead to increased savings and investment. Critics say it is just a tax cut for the wealthy, and that, over the long term, it will increase the federal budget deficit. Do you favor or oppose a big cut in capital gains taxes?



**Source:** Survey by Louis Harris and Associates, January 22-23, 1990.

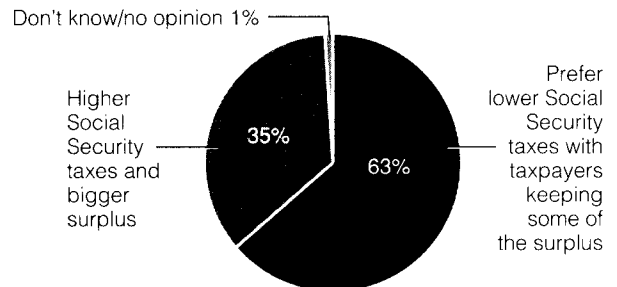
**Question:** If, as a result of reduced world tensions, the United States is able to reduce defense spending significantly, do you think that the money the U.S. saves should be used to reduce the federal deficit, to reduce taxes, or to increase spending for domestic programs?

**Money saved from reduced defense spending should be used to ...**



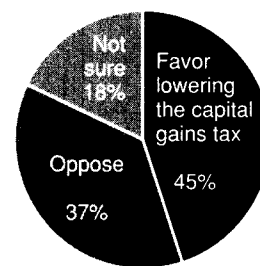
**Source:** Survey by Hart/Teeter Research Companies for NBC News/*Wall Street Journal*, January 13-16, 1990.

**Question:** Social Security taxes have been increasing in recent years and the fund is now running a surplus. Some people think we should continue with higher Social Security taxes in order to keep building up that surplus for future Social Security benefits. Others think we should lower Social Security taxes and let the taxpayers keep some of the surplus. Which do you generally prefer. ...



**Source:** Survey by ABC News/*Washington Post*, February 1-4, 1990.

**Question:** Do you favor or oppose lowering the capital gains tax?



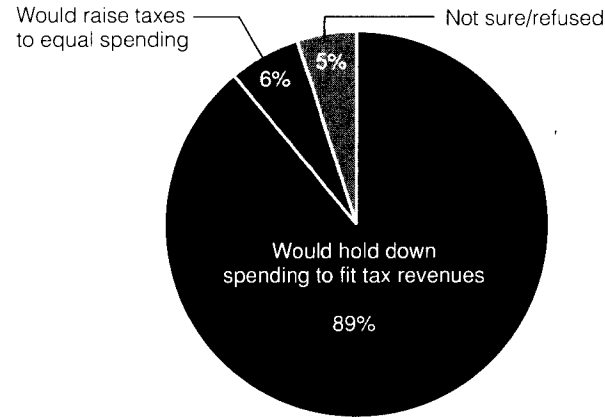
**Source:** Survey by Yankelovich Clancy Shulman for *Time* and Cable News Network, October 9-10, 1989.

The contradictions reflect some public ambivalence, but they also reflect vague choices being presented respondents (peace dividend) and low levels of specific knowledge (capital gains).

# TAXES ARE TOO HIGH

**Question:** Federal tax revenues are expected to rise by an average of 74 billion dollars a year through 1995. At the present rate, government spending will also increase about that fast, leaving the deficit above 100 billion dollars. What would you do to reduce the budget deficit—raise taxes so that they would equal spending, or hold down spending so that it fits tax revenues?

## To reduce budget deficit ...



**Source:** Survey by the Wirthlin Group, April 16-19, 1990.

**Question:** Right now, do you think the level of state taxes in Connecticut is too high, too low, or just about right?

## Connecticut

Level of taxes too high



**Source:** Survey by The Connecticut Poll for the *Hartford Courant*, latest that of May 15-22, 1990.

**Question:** Do you support or oppose increasing (state income taxes/state sales tax)?

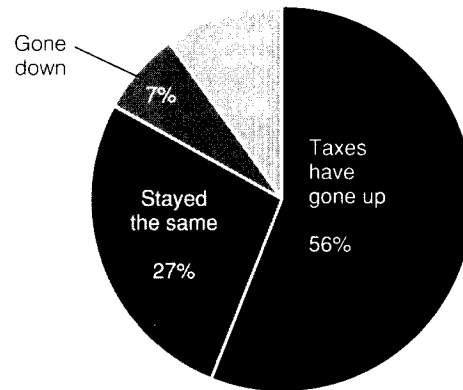
## Massachusetts



**Source:** Survey by KRC Communications Research for the *Boston Globe* and WBZ-TV, July 5-6, 1989.

**Question:** Since the Tax Reform Act of 1986, has the amount of taxes you now pay gone down a lot, gone down a little, gone up a little, gone up a lot, or stayed about the same.

## Since the Tax Reform Act of 1986 ...



**Source:** Survey by the Gallup Organization, March 8-11, 1990.

**Question:** As you may know, this past year the Illinois state income tax was temporarily raised from 2.5% to 3% for individuals, and 4% to 4.8% for corporations. In two years both taxes are scheduled to return to lower levels. Do you think the individual and corporate income tax increases should be permanent or should they go back to their previous levels?

## Illinois

1989 individual and corporate income tax increase should be ...



**Source:** Survey by the Center for Governmental Studies, Northern Illinois University, November-December, 1989.

**Question:** Do you think the state and local taxes you pay are too high, too low, or just about right?

## New Jersey

State and local taxes are ...

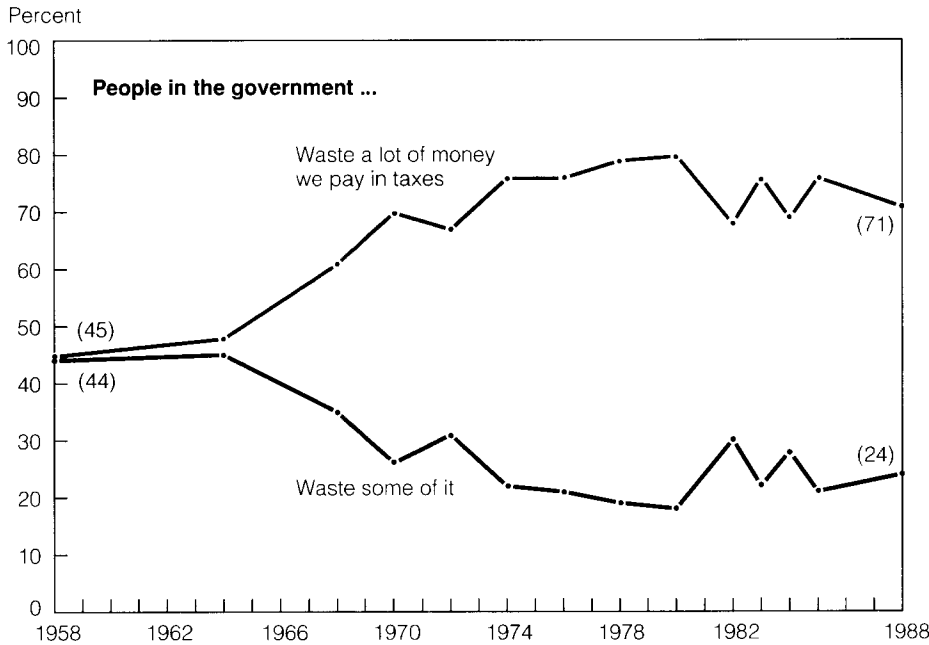


**Source:** Survey by the Eagleton Poll for *The Star Ledger*, March 22-26, 1990.

Tax dissatisfaction in fact is high, as the national and state data above show. The weight of survey research suggests that Americans now believe government is about the size (and cost) it should be.

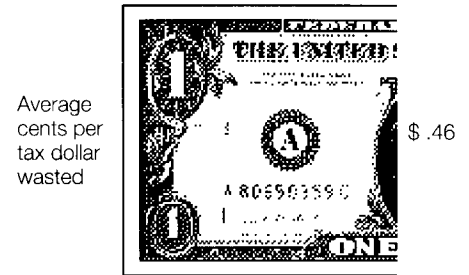
# LOTS OF WASTE

**Question:** Do you think that people in government waste a lot of money we pay in taxes, waste some of it, or don't waste very much of it?



**Source:** Surveys by the Center for Political Studies, University of Michigan, *American National Election Study*, 1958-82; *New York Times*, 1985; CBS News/*New York Times*, 1983-84, latest that of November 10-16, 1988.

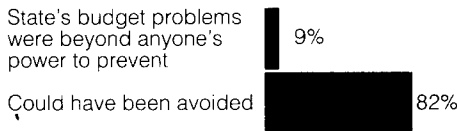
**Question:** Out of every dollar the federal government collects in taxes, how many cents do you think are wasted?



**Source:** Survey by ABC News/*Washington Post*, May 17-21, 1990

**Question:** Before new taxes were passed, the state budget was running a big deficit this year, and an even bigger deficit is expected this year. Do you think the state's budget fiscal problems were beyond anyone's power to prevent, or could they have been avoided with good political leadership?

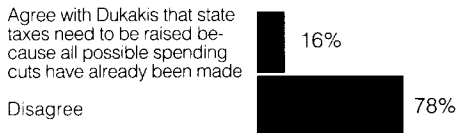
## Connecticut



**Source:** Survey by The Connecticut Poll for the *Hartford Courant*, May 15-22, 1990.

**Question:** Governor Dukakis has called for an increase in state taxes because he says all possible spending cuts have already been made. Do you agree or disagree with Dukakis's position?

## Massachusetts

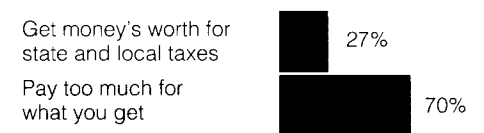


**Note:** Income differences on this question were small. 76% of Massachusetts residents with incomes of \$20,000 or less disagreed with Dukakis as did 75% of those making over \$60,000.

**Source:** Survey by KRC Communications Research for the *Boston Globe* and WBZ-TV, March 6-18, 1989.

**Question:** Do you think you get your money's worth for the state and local taxes you pay, or do you think you pay too much for what you get?

## New Jersey



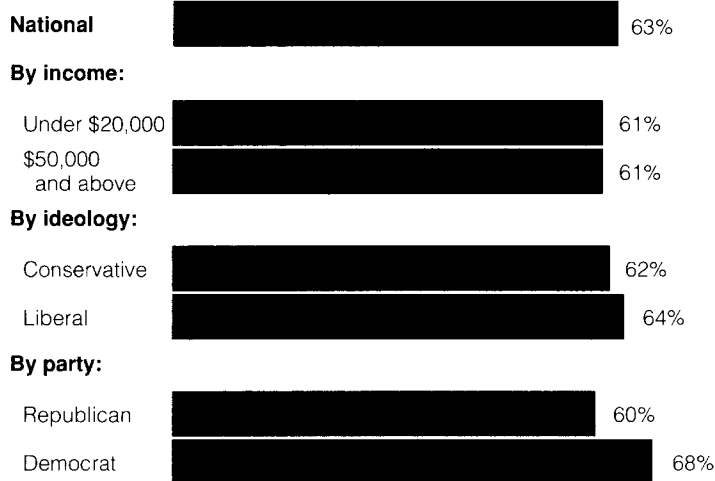
**Source:** Survey by the Eagleton Poll for *The Star-Ledger*, March 22-26, 1990.

Underlying the tax angst is the public's complaint that a large portion of tax dollars—state and local as well as national—is wasted.

# INCOME TAX IRRITATION

**Question:** Do you consider the amount of federal income tax which you have to pay as too high, about right, or too low?

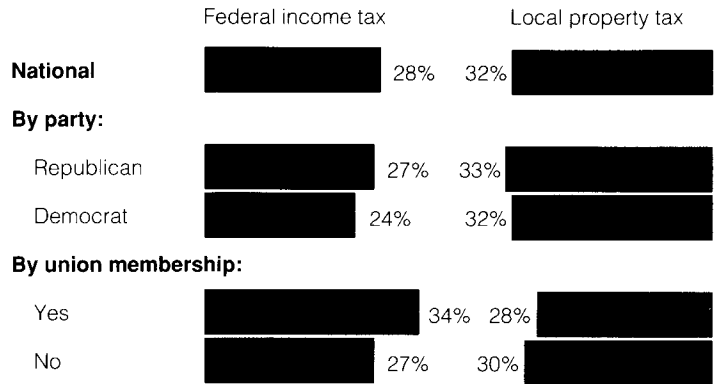
## Consider amount of federal income tax you pay too high



**Source:** Survey by the Gallup Organization, March 8-11, 1990.

**Question:** Which do you think is the worst tax—that is, the least fair?

## Worst tax is ...



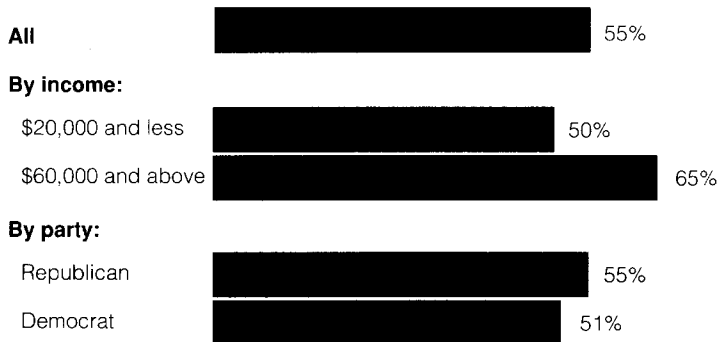
**Note:** Other categories (state income tax = 9%, state sales tax = 18%) not shown. Social Security tax was excluded from this question.

**Source:** Survey by the Gallup Organization for the Advisory Commission on Intergovernmental Relations, June 10-18, 1989.

**Question:** Do you think Proposition two and a half has been good or bad?

## Massachusetts

Proposition two and a half has been good



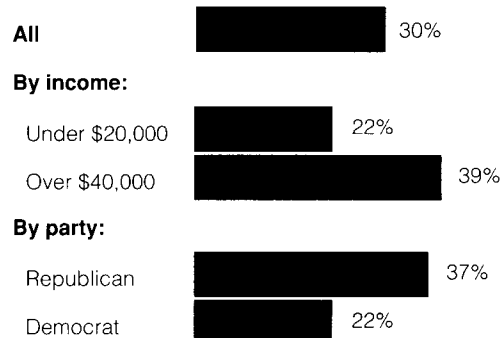
**Note:** Proposition two and a half limits the increase in local property taxes to 2.5% per year.

**Source:** Survey by KRC Communications Research for the *Boston Globe* and WBZ-TV, April 20-24, 1989.

**Question:** I am going to list some different kinds of taxes. Assuming that the same amount of money was being collected by each one, which tax would you say was the (most fair/next most fair/least fair) tax?

## Texas

Least fair tax ... state personal income tax



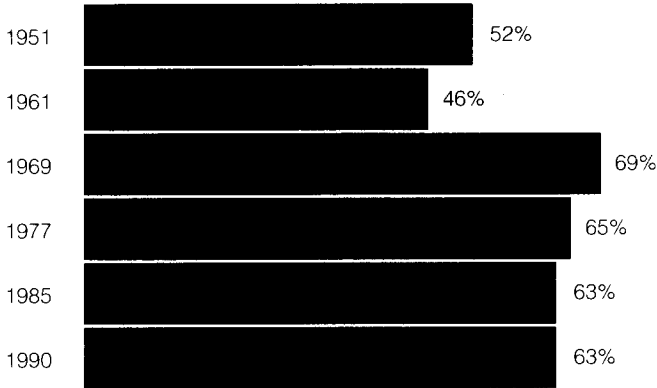
**Note:** Other categories (sales tax = 8%, corporate income tax = 8%, property tax = 22%, oil, gas and mineral tax = 11%) not shown.

**Source:** Survey by The Texas Poll, April 28-May 12, 1990.

Tax dissatisfaction is remarkably uniform across social group lines.

**Question:** Do you consider the amount of federal income tax which you have to pay as too high, too low, or about right?

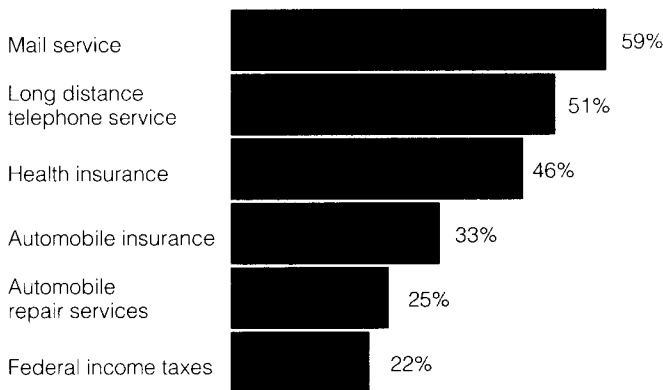
**Consider amount of federal income tax you pay too high**



**Source:** Surveys by the National Opinion Research Center, 1977 and the Gallup Organization, latest that of March 8-11, 1990.

**Question:** Here is a list of some different kinds of things most people buy or spend money for (card shown respondents). Thinking of what you get for what you pay, would you read down that list and for each one tell me whether in most instances you get excellent value for the dollar, or good value, or only fair value for the dollar, or poor value for the dollar?

**Get excellent/good value for the dollar**



**Note:** Selected categories shown.

**Source:** Survey by the Roper Organization (Roper Reports 88-5), April 16-30, 1988.

**Question:** If it is going to maintain its programs, the state may have to raise more money. I'm going to read you some ways that have been suggested. For each one please tell me if you think this should be used as a source of new funds or not ... establishing an income tax in Connecticut?

**Connecticut**

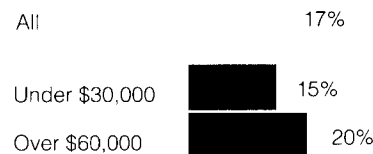


**Source:** Survey by The Connecticut Poll for the *Hartford Courant*, March 28-April 5, 1989.

**Question:** In order to raise revenue to balance the state budget, would you rather see the state increase the income tax or broaden the sales tax?

**Massachusetts**

**Increase income tax:**



**Broaden sales tax:**

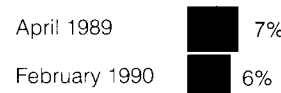


**Source:** Survey by KRC Communications Research for the *Boston Globe* and WBZ-TV, May 17-20, 1990.

**Question:** New York State is currently facing a budget deficit. Which of the following solutions would you choose to address the deficit: increase state income taxes, increase taxes for cigarettes, alcohol, and out-of-state telephone calls\*, cut social programs and services, or delay the state tax cut?

**New York**

**Increase state income taxes**



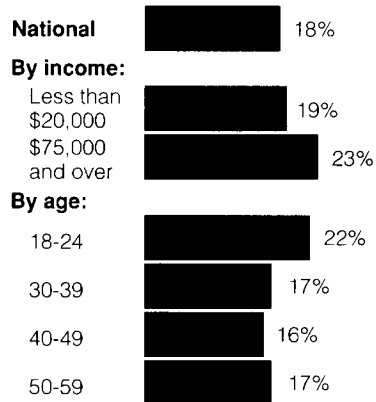
**Note:** \* recreational activities in April 1989. Other responses for 1990 include: increase taxes for cigarettes, alcohol, and out-of-state calls = 54%, cut social programs and services = 6%, delay the tax cut = 32%.

**Source:** Surveys by the Marist Institute, latest that of January 31-February 4, 1990.

The income tax—state and national—is unpopular and income tax hikes are rejected.

**Question:** Which do you think is the worst tax—that is, the least fair?

**Worst tax is ... Social Security**



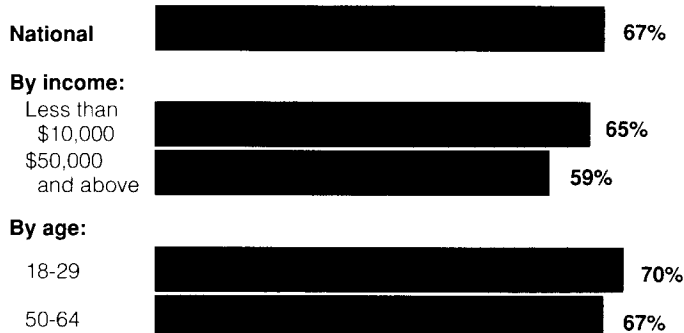
**Note:** Other categories (federal income tax = 21%, state income tax = 9%, state sales tax = 14%, local property tax = 28%) not shown.

**Source:** Survey by the Gallup Organization for the Advisory Commission on Governmental Relations, latest that of June 10-18, 1989.

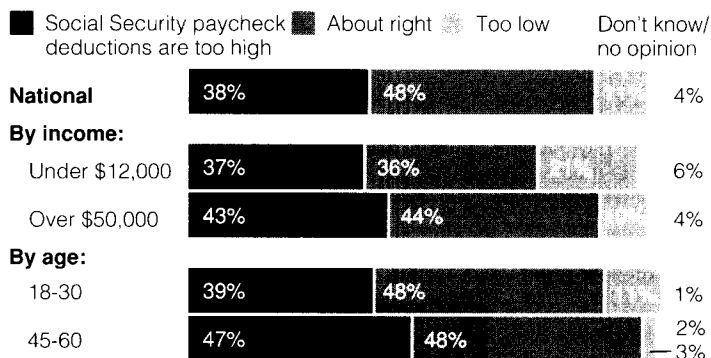
**Question:** Do you think the Social Security paycheck deductions are too high, too low, or about right?

**Question:** Please tell me if you favor or oppose the following tax proposals ... reducing Social Security payroll taxes.

**Oppose reducing the Social Security payroll taxes**

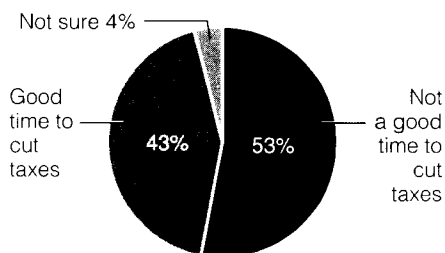


**Source:** Survey by Yankelovich Clancy Shulman for *Time* and Cable News Network, January 31-February 1, 1990.



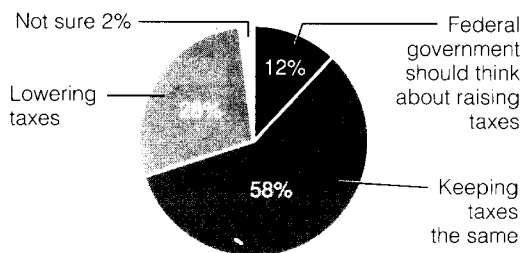
**Source:** Survey by ABC News/*Washington Post*, February 1-4, 1990.

**Question:** Do you think this would be a good time for the government to cut taxes or not a good time?



**Source:** Survey by Yankelovich Clancy Shulman for *Time* and Cable News Network, January 31-February 1, 1990.

**Question:** Given current economic conditions, do you think the federal government should be thinking about raising taxes, lowering taxes, or keeping them about the same?



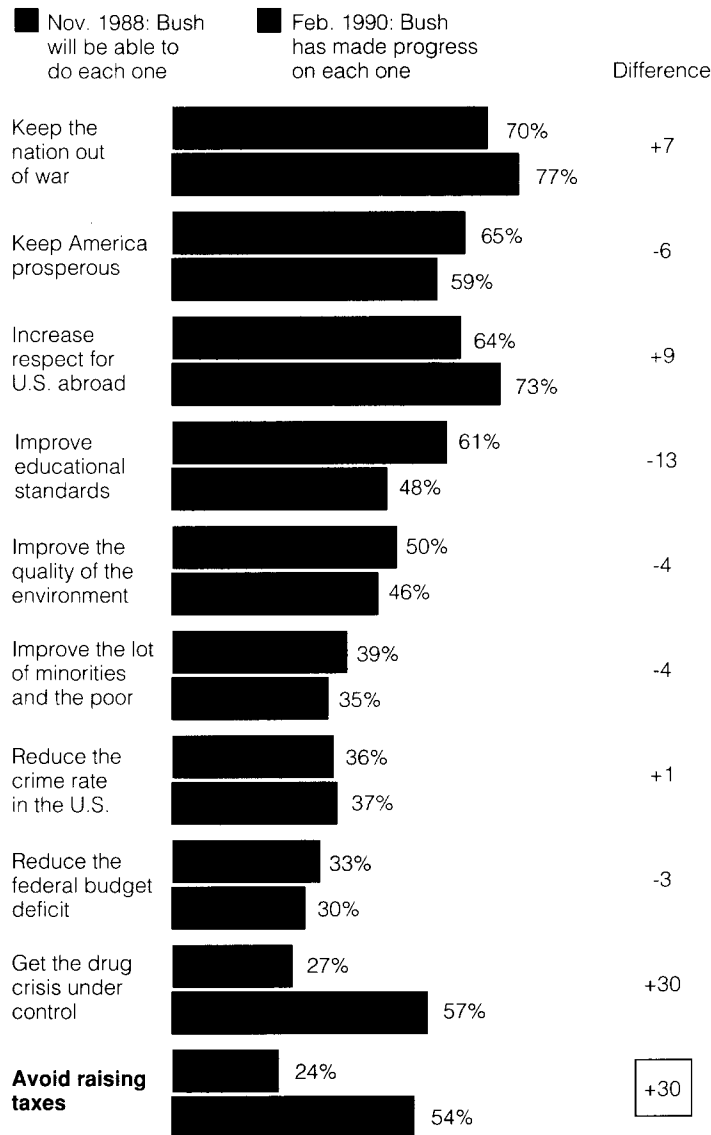
**Source:** Survey by Hart/Teeter Research Companies for NBC News/*Wall Street Journal*, January 13-16, 1990.

Support for Social Security payroll taxes appears—perhaps surprisingly—uniform among income and age groups.

# POLITICAL CONSEQUENCES

**Question (1988):** Here are some questions about the administration of George Bush that will take office in January. Regardless of which presidential candidate you preferred, do you think the Bush administration will or will not be able to:

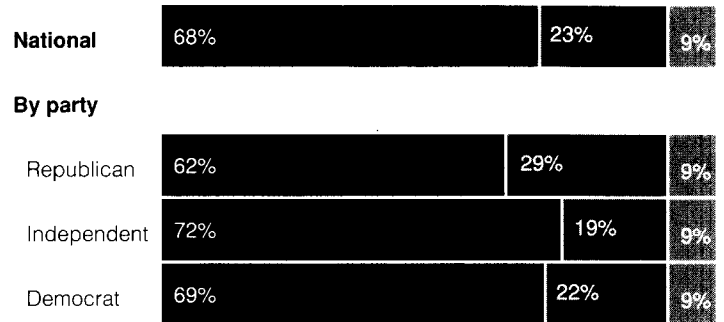
**Question (1990):** Here is a list of some problems and responsibilities facing the president and his administration. After one year in office, do you think George Bush is making progress on handling each of these different problems?



Source: Surveys by the Gallup Organization, latest that of February 8-11, 1990.

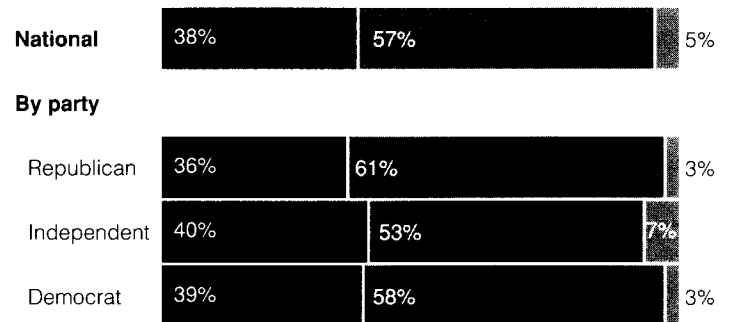
**Question:** Do you think George Bush will ask Congress to increase taxes in order to reduce the budget deficit?

Think Bush will ask Congress to increase taxes
  Do not think so
  Don't know/no answer



**Question:** Do you think George Bush *should* ask Congress to increase taxes in order to reduce the budget deficit?

Think Bush should ask Congress to increase taxes
  Do not think Bush should
  Don't know/no answer



Source: Survey by CBS News/*New York Times*, May 22-24, 1990.

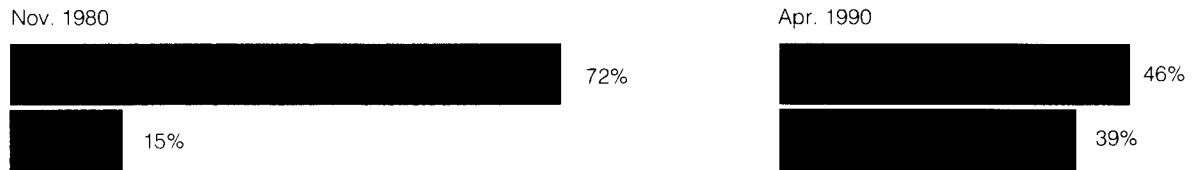
Initial pessimism about President Bush's ability to keep the lid on taxes has given way to guarded optimism. Sentiment about what the president *will* do compared to what he *should* do, however, may suggest the triumph of experience over hope.



**Question:** I would like to read you a list of issues and would like you to concentrate on the two major political parties, the Democrats and the Republicans. As I read each issue, please tell me whether you think the Republican party or the Democratic party can best handle that problem.

**Party best able to handle problem**

**Control government spending**



**Reduce the federal budget deficit**

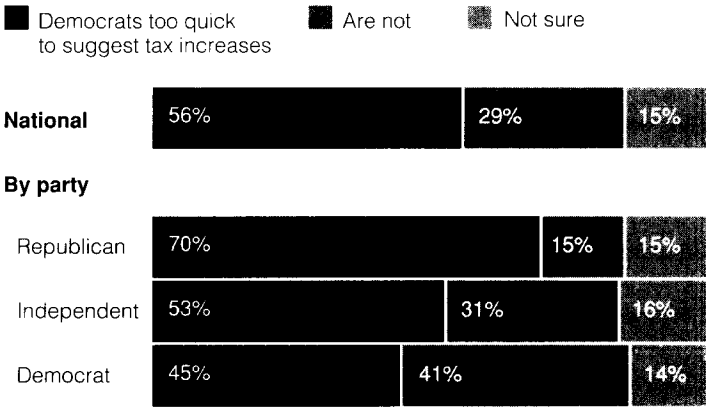


**Reduce taxes**



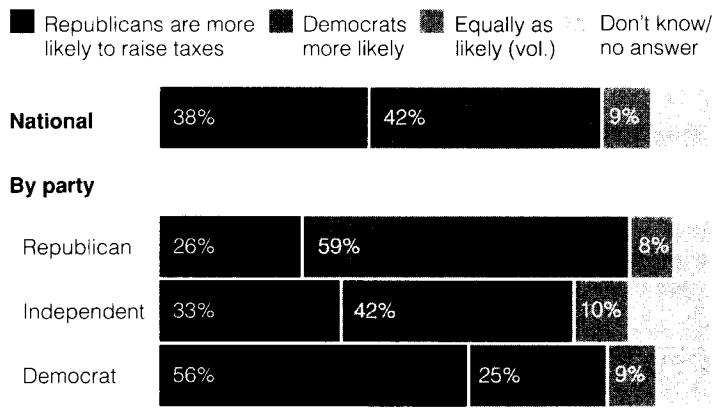
Source: Surveys by the Wirthlin Group, latest that of April 16-19, 1990.

**Question:** In your view, are Democrats too quick to suggest tax increases as a means of reducing the federal budget deficit?



Source: Survey by Yankelovich Clancy Shulman for Time and Cable News Network, March 14, 1990.

**Question:** Which party is more likely to raise taxes—the Republicans or the Democrats?



Source: Survey by CBS News/New York Times, May 22-24, 1990.

The number of people who think the Democrats are better able to control government spending than the Republicans has jumped in the past decade. But the Democrats' reputation for being too quick to resort to tax hikes sticks—even among Democrats.