



PUBLIC OPINION STRATEGIES

MEMORANDUM

TO: INTERESTED PARTIES

FROM: GLEN BOLGER

RE: KEY FINDINGS – TAX REFORM MESSAGING NATIONAL SURVEY

DATE: OCTOBER 27, 2017

Methodology

Public Opinion Strategies is pleased to present One Nation America with the key findings of a national telephone survey conducted October 19-22, 2017. The survey was completed among N=1,000 likely voters, including 400 cell phone respondents, and has a margin of error of $\pm 3.10\%$ in 95 out of 100 cases.

Key Findings

1. Voters perceive tax reform as very important to helping our country's economy.

Fully 93% say “tax reform is important to helping our country’s economy,” with 61% saying it is very important and 33% saying somewhat important.

2. A majority of voters say that either major changes or a complete overhaul of the tax system is needed, with Republicans most likely to feel that way.

Fully 55% of voters say either major changes are needed (30%) or a complete overhaul of the current tax system is needed (25%). Only 6% say the current tax system works pretty well as it is now, while 39% say some changes are needed, but basically it should stay the same.

We found 72% of Republicans say change the tax system, while Independents were more evenly divided. Still, a majority of Independents (52%) want change, while just 41% of Democrats do so.

Interestingly, 91% of those surveyed say the current federal income tax system is complex, with 57% saying it is very complex.

3. *Voters are divided along party lines as to whether reforms to the tax code would help or hurt them and their family.*

Overall, 31% say tax reform would “help you and your family” and 31% say it will “hurt you and your family,” and 26% say it will make no difference (the remainder did not know).

Among Republicans, 56% say it will help and 6% say it will hurt, while Democrats are the mirror opposite – 11% help, 55% hurt. Independents are fairly divided on it, with 29% saying help and 24% saying hurt.

4. *The main goal of the survey was to test messaging on the issue of tax reform.*

We tested several “combat message development” questions, where we pulled Democrat messaging from speeches by Senators Chuck Schumer and Ron Wyden, and tried to counter with Republican messaging from the focus groups, and remarks by Senator John Cornyn and President Donald Trump. Here are selected results:

(MIDDLE CLASS OR WEALTHY:)

- 49% Republicans say we have to reform the tax code because the middle class and small businesses are getting crushed by the current tax system.
...while...
- 48% Democrats say all of the benefits of so-called tax reform will go to the wealthy and large corporations, and the middle class will see very little benefit.

(FULLY FUND SENIORS/CUT SENIORS)

- 52% Republicans say that reforming the tax system and cutting taxes for ordinary taxpayers will give a boost to the middle class. They say any tax cuts and reforms should only be done if programs for senior citizens and the disabled are fully funded.
...while...
- 43% Democrats say the Republican plan will add trillions of dollars to the national debt and cut important programs that help seniors and the disabled.

(REAL PAY RAISE/CUT DEDUCTIONS)

- 53% Republicans point out that most Americans have not seen a real pay raise in years, and by cutting taxes for middle class Americans, we can increase their take-home pay and families will benefit.
...while...
- 40% Democrats say the Republican plan would eliminate the deduction for state and local taxes, which would cause federal taxes to increase for nearly one out of three middle class taxpayers by as much as several thousand dollars.

It is incredibly encouraging that there are effective Republican responses to the typical Democratic messages of “these are only tax cuts for the rich and big business,” “this will hurt seniors and the disabled,” and “this will hurt the middle class.”

5. *And then, finally, we tested a series of stand-alone messages, of which voters find five to be very convincing.*

Of the ten stand-alone messages tested, here are the five that worked best, including intensity:

(RIGGED SYSTEM HURTS SMALL BUSINESS)

Our tax code is rigged in favor of large corporations that can pay accountants to help them evade taxes, and that rigged system hurts small businesses that are trying to compete with them. We should eliminate those loopholes and tricks and level the playing field so all businesses can compete.

TOTAL CONVINCING: 85% VERY CONVINCING: 56%

(SIMPLER/FAIRER)

The most important part of tax reform is to make the system simpler, fairer, and easier to understand.

TOTAL CONVINCING: 84% VERY CONVINCING: 52%

(MORE THAN THIRTY YEARS)

It has been more than thirty years since the last time there was major tax reform. The economy has changed so dramatically since then that it is time to modernize the tax system.

TOTAL CONVINCING: 84% VERY CONVINCING: 48%

(SMALL BUSINESS OWNERS WILL INVEST)

Nearly half of the jobs in this country are created by small businesses. If we lower their taxes, small business owners will invest that savings in their businesses, creating new jobs and helping their communities. That is better for America than sending the money to Washington.

TOTAL CONVINCING: 83% VERY CONVINCING: 51%

(BRING OFFSHORE PROFITS HOME)

Because of our high tax rates and outdated rules, large companies that do business overseas often park their profits offshore to avoid paying a high tax here in the U.S. By reforming the tax system and changing this policy, we can return trillions of dollars to our economy and spur billions of dollars in new investments in struggling communities and throughout the nation. We need to bring that money home.

TOTAL CONVINCING: 80% VERY CONVINCING: 51%

The Bottom Line

Matched up against Democrat messaging on tax reform, the GOP messaging either ties or does quite well. Independents tend to opt for the GOP messaging.

The focus of voters is that tax reform should be populist in the outcome. It should provide a boost to the economy, help the middle class, help small business, simplify and make the tax code fairer, and close loopholes for the wealthy and big business that allow them to escape paying their fair share.