



**PUBLIC OPINION  
STRATEGIES**

**M E M O R A N D U M**

**TO:** INTERESTED PARTIES

**FROM:** GLEN BOLGER

**RE:** KEY FINDINGS – NATIONAL SURVEY ON THE 2001 TAX CUTS

**DATE:** DECEMBER 4, 2010

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**Methodology**

Public Opinion Strategies conducted a national survey of 1,000 likely 2012 voters for Crossroads GPS. The survey was completed November 29-December 2, 2010 and has a margin of error of  $\pm 3.10\%$  in 95 out of 100 cases. A total of 850 completes were done via landline, and 150 interviews were done via cellphone.

**Key Findings**

1. ***There is strong support for keeping the current tax rates/extending the tax cuts instead of raising taxes/letting the tax cuts expire.***

Throughout the survey, we split sampled language on the issue. Half of the respondents (N=500) heard many questions that asked about plans to “extend the tax cuts or letting the tax cuts expire” while the other half heard many questions that juxtaposed a choice of “keep current tax rates or raise taxes.” Generally, the “keep current tax rates” language tested better than the “extend the tax cuts” language.

Overall, 65% support extending the tax cuts, while 29% prefer to let the tax cuts expire. A stronger 83% would vote to keep current tax rates, while 14% would vote to raise taxes.

2. ***Voters overwhelmingly say that failure to extend the tax cuts are a tax increase. They also say the economy will be hurt by not extending the tax cuts/raising taxes.***

Fully 66% say that if the tax cuts are not extended, that it would be a tax increase, while 29% say it would not be a tax increase.

On a split sample, those who were asked about the economic impact of not extending the tax cuts said the economy will be hurt (56%) more so than helped (14%), while 22% said it would not have much impact. The other half of the sample were asked the impact if taxes were raised, and 67% said the economy would be hurt, while 11% say it would be helped and 19% say it would not have much impact.

3. ***Voters are evenly divided on the tax issue for voters making over \$250,000 per year.***

On the question of extending the tax cuts, 49% support extending the tax cuts only for those who make less than \$250,000, while 48% back extending the tax cuts for everyone. Not surprisingly, the data breaks down along party lines – only 26% of GOPers support the tax cuts just for those earning less than \$250k, while 76% of Dems take that position. Conversely, 73% of GOPers back extending the tax cuts for all, compared to 22% of Dems. Independents break down evenly – 48% say extend for those under \$250k, while 46% say extend for all.

The half of the sample asked about raising taxes on people who make more than \$250k broke down as 48% supporting raising taxes on these people, while 50% oppose raising taxes on anyone. The data by party is similar to the above the paragraph – GOPers oppose raising taxes, Dems support it, and Independents are evenly divided.

4. ***In comparative message fights between the opponents of higher taxes on those earning \$250k+ and supporters, the opposition messages score very well.***

We split sampled two similar messages, presenting arguments made recently by Democrats and Republicans on the issue:

Now I am going to read you a pair of statements. After I read each pair, please tell me which statement comes closest to your own opinion. The first/next pair is...

**(ROTATE STATEMENTS)**

42% **(SOME/OTHER)** people say we should extend the tax cuts for everyone except the wealthy. Cutting taxes permanently for the middle class and raising taxes for those earning over two hundred fifty thousand dollars is necessary to reduce the federal deficit and protect Social Security.

...while...

53% **(SOME/OTHER)** people say we should extend the tax cuts for everyone. Raising taxes on anyone in a weak economy is a bad idea, and tax increases would hit small businesses especially hard. Raising taxes on the people who create jobs is exactly the wrong medicine for a struggling economy.

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The slightly different version read:

40% **(SOME/OTHER)** people say we should not raise taxes on anyone, except the wealthy. Cutting taxes permanently for the middle class and raising taxes for those earning over two hundred fifty thousand dollars is necessary to reduce the federal deficit and protect Social Security.

...while...

57% **(SOME/OTHER)** people say we should not raise taxes on anyone. Raising taxes on anyone in a weak economy is a bad idea, and tax increases would hit small businesses especially hard. Raising taxes on the people who create jobs is exactly the wrong medicine for a struggling economy.

5. ***Voters say that raising taxes is worse for the economy than cutting government spending.***

Half the respondents were asked which they think does LESS harm to the economy – and 20% said raising taxes while 76% picked cutting government spending. The other half were asked which they think does MORE harm to the economy, and 72% said raising taxes while 26% said cutting government spending.

In a related question, only 4% say “raising taxes” is the most effective way to cut the deficit, while 53% say “cutting government spending” and 41% pick “growing the economy.”

6. ***Voters reject the idea that if taxes are cut, somehow money is being taken away from government.***

Fully 84% say “if your taxes are cut” it means they are keeping more of their own money, while 11% say it means they are taking money away from the government. This is problematic for supporters of increasing taxes on those earning \$250k+ who argue that not raising these taxes costs the government money it otherwise should have.

A related message question underscores the weakness of that argument:

18% **(SOME/OTHER)** people say that extending the tax cuts for people earning more than \$250,000 will cost the government \$700 billion over the next ten years. They say that this lost revenue will explode our federal deficit and that the government cannot afford it.

...while...

77% **(SOME/OTHER)** people say that the best way to balance the budget is to grow the economy and create new jobs. Raising taxes on small businesses and others who create jobs would make things worse. They say we should focus on rebuilding our economy and forcing government to live within its means

7. ***We tested a series of pro-tax increase messages and a series of anti-tax increase messages. Messages opposed to raising taxes on those earning over \$250k per year resonate more strongly.***

We tested eight agree/disagree statements – three were pro-raise taxes on the rich messages, and five were anti-tax increase messages. While the data is sorted from highest agree to lowest, in the administration of the survey the series was randomized.

- Uncertainty about tax rates hurts the business climate in this country. Tax rates need to stay where they are so businesses can plan for the future and start hiring more people.  
**80% agree/19% disagree**
- Raising taxes now, during a recession, will hurt our economic growth.  
**79% agree/19% disagree**
- While raising taxes on people earning over \$250,000 per year sounds like tax increases on the rich, it actually hits a lot of small business owners who create jobs. Raising taxes on job-creating small business owners during a recession is the wrong thing to do.  
**73% agree/25% disagree**
- Tax increases kill jobs.  
**63% agree/35% disagree**
- Democrats support raising taxes on the rich because Democrats want to spend more and don't understand the harm tax increases do to jobs and the economy.  
**50% agree/47% disagree**
- Republicans oppose raising taxes on the rich because Republicans care more about corporations and the wealthy than they do about the middle class.  
**49% agree/48% disagree**
- The best way to cut the deficit and ensure important programs are fully funded is to raise taxes on the rich.  
**43% agree/56% disagree**
- Tax cuts increase the deficit.  
**41% agree/55% disagree**

It is clear that the message that raising taxes will hurt jobs and economic growth resonates with voters. A communications effort focused on the harmful effects of tax increases on jobs, economic growth, and small businesses should be the focus of Members of Congress who support extending the tax cuts for everyone.

**The Bottom Line**

Voters support extension of the 2001 tax cuts. They believe that failure to extend is the same thing as a tax increase, and that tax increases harm the economy.

Voters are EVENLY divided on the question of extending the tax cuts for people earning \$250,000 or more. Republicans support extension, Democrats oppose it, and Independents are split on the issue.

However, when voters hear both sides of the argument, they side with the “extend the tax cuts for all” message.

Supporters of extended tax cuts for all should drive the message that the best way to balance the budget is to cut spending, grow the economy, and create new jobs. Raising taxes on small businesses and job creators will make things worse, and raising taxes on job-creating small business owners during a recession is the wrong thing to do.

Supporters of extending tax cuts for all can also be confident in knocking down the idea that keeping current tax policy in place is wrong because of the impact on the deficit – the government is not letting us have money that should belong to the government, but instead people are keeping more of their own money.