



# PROGRAM FOR PUBLIC CONSULTATION

## SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

### FEDERAL BUDGET SURVEY

#### - QUESTIONNAIRE -

Fielded by Nielsen Scarborough from March 8<sup>th</sup> through 16<sup>th</sup>, 2017  
Total of 1817 respondents with a margin of error of 2.3%

#### BRIEFING

You will participate in an exercise in which you will have the opportunity to propose how the US federal budget should be designed.

You will first be presented what is called the “**Discretionary Budget**,” which is the part of the budget that Congress decides on each year. It does not cover what is called “mandatory spending,” which includes such areas as Social Security and Medicare.

For the Discretionary Budget, you will see the amounts of spending currently authorized by Congress for 2017 for 31 different areas of spending. You will then be able to increase or decrease them as you see fit.

You will also explore what are called “**General Revenues**.” This is income the government gets from taxes like income taxes, corporate taxes, and others that can be used for any purpose. You will be able to raise or lower these general revenue taxes as you see fit.

As you may know, the government is projected to have a budget deficit because spending is projected to exceed revenues. As you go along and make changes to spending or taxes, you’ll see the effect of your decisions on the size of the projected **budget deficit**.

Excluding the amount of the deficit related to Social Security and Medicare, the deficit for 2017 is \$412 billion. As you go along, you will see the effect of the choices you make on this part of the deficit.

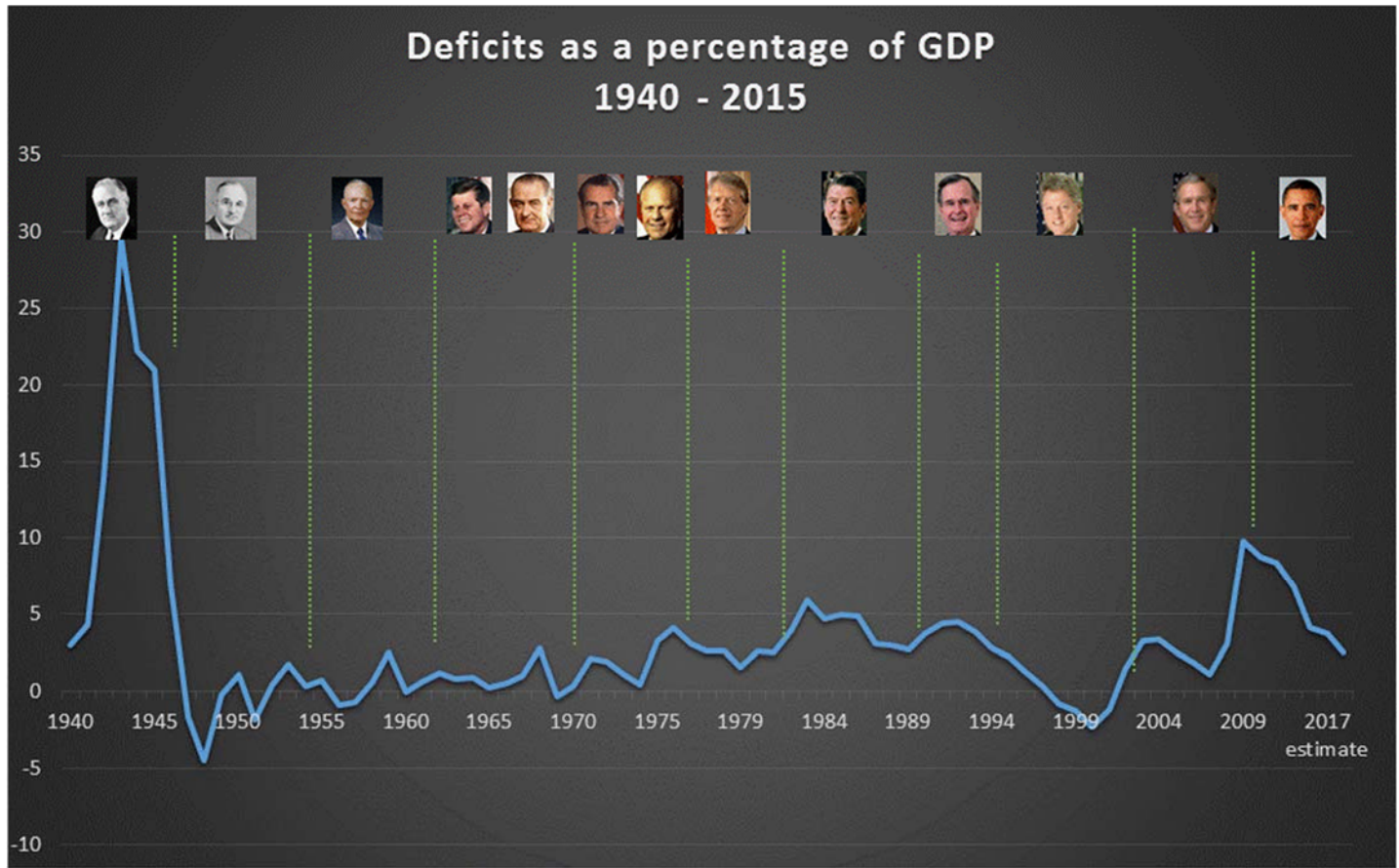
But before we begin, we would like to have you consider three of the major issues that come up in discussions about the federal budget.

#### FEDERAL BUDGET DEFICIT

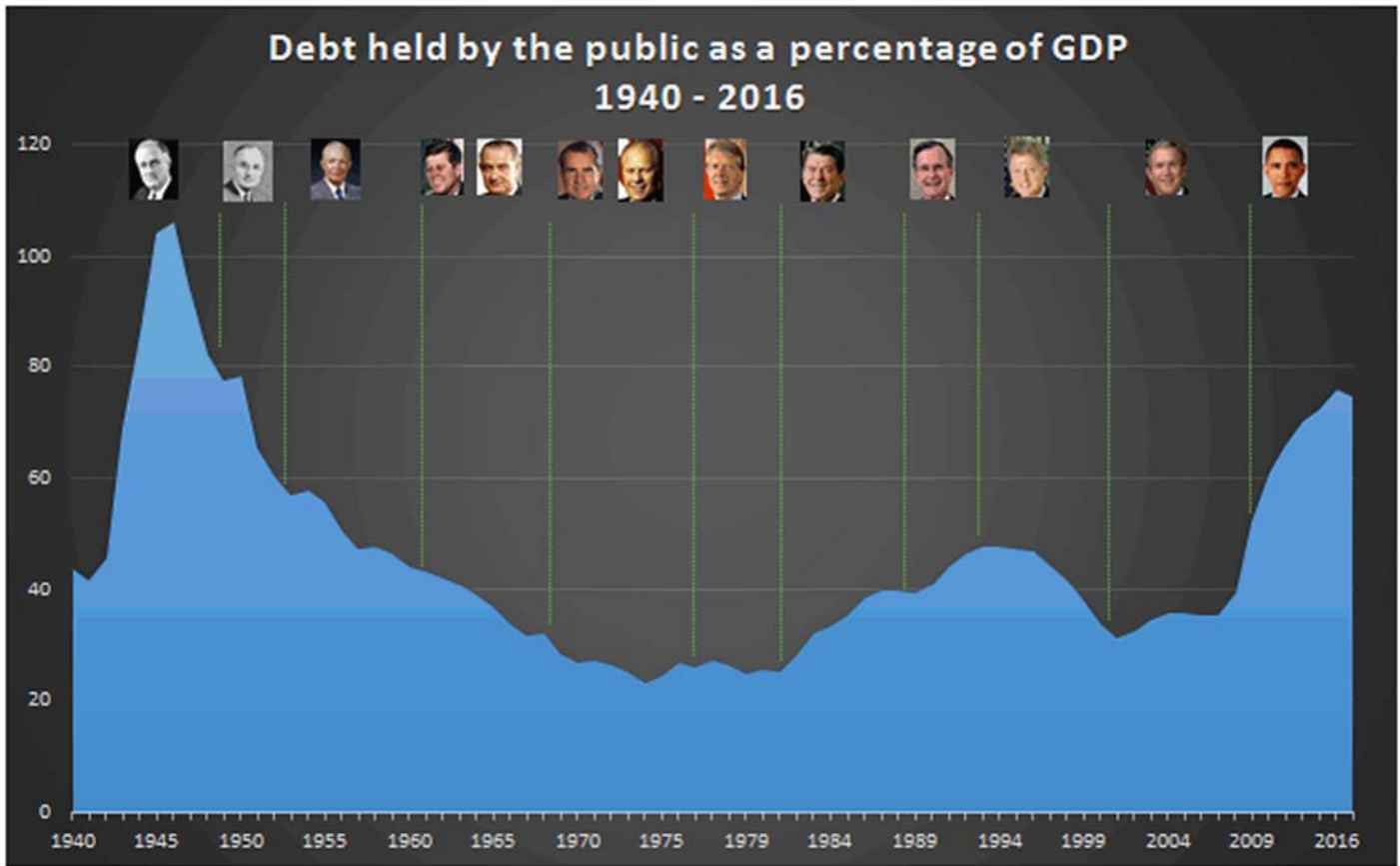
The first issue is about how important it is to address the budget deficit—the amount the government spends over and above what it takes in in revenues. But first here is some background.

As you can see in the chart below, the deficit has gone up and down over the years. During the recent economic downturn the Federal government ran exceptionally large deficits. However, more recently this deficit has been coming down.

Source: OMB Historical Tables: Table 1-2



A key consideration in regard to the deficit is the amount of debt held by the public. The deficit contributes to this debt. In the chart below you can see the amount of the debt as a percentage of the whole US economy. This percentage can go down when the economy grows, or when there is a budget surplus.



**Federal Budget Deficit (cont.)**

So now, turning to the debate about how high a priority it should be to reduce this deficit, recod q6 q7 q10 q11 (1 thru 2=1)(3 thru 4=2)(else=9) into q6.3w q7.3w q10.3w q11.3w . execute .

[Q1.] We have been running huge deficits for years now, putting the national debt on a path to unsustainable heights. The government cannot continue to spend beyond its means indefinitely. The debt held by the public is \$13 trillion—three quarters of the size of the entire U.S. economy, and the Congressional Budget Office projects it will grow over the next decade. This debt is dragging down our economy. Uncertainty over taxes, inflation, and interest rates is hurting investment and this hurts job creation. Further, once interest rates rise, just servicing this debt will swamp the budget, crowding out all other needs. We need to make reducing the deficit our first priority.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
National	35.7%	43.6%	79.3%	14.9%	5.0%	19.9%	0.7%
GOP	52.3%	40.4%	92.7%	5.5%	1.4%	6.9%	0.3%
Dem.	20.1%	48.8%	68.9%	21.7%	8.5%	30.2%	0.9%
Indep.	38.7%	38.1%	76.8%	18.0%	4.4%	22.4%	0.9%

[Q2.] It is important to reduce the deficit, but the deficit, as indicated here, has already come down by more than half since 2009, and the reason is that more people are working and paying taxes. The most important thing right now is making sure that the economic recovery continues and that unemployment continues to go down. There are still many needs to be met and crucial investments to be made for our future that will create jobs. Cutting spending too sharply will throw people out of work and reduce tax revenues. Our first priority should be putting more people back to work.

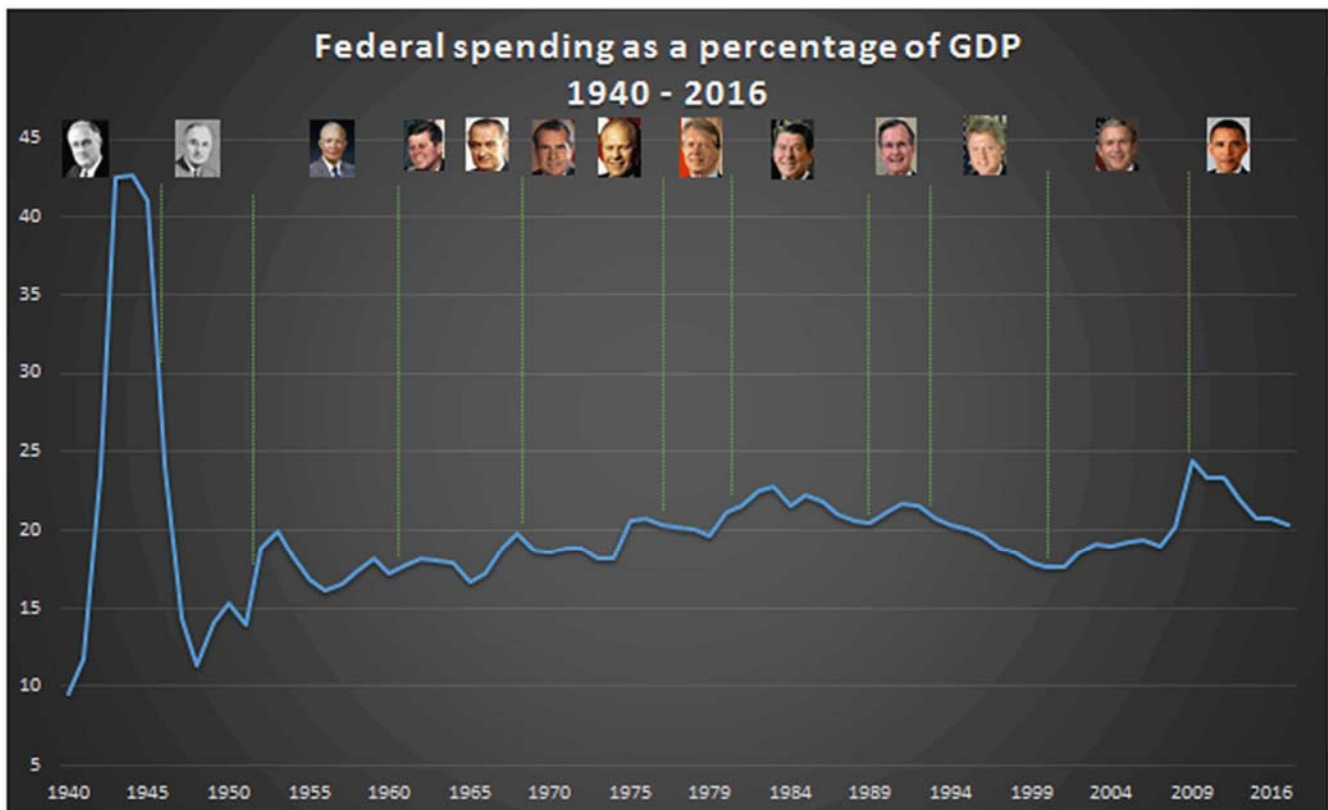
Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing
1	2	3	4

	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	41.0%	38.8%	<b>79.8%</b>	13.9%	5.6%	<b>19.5%</b>	0.7%
<b>  GOP</b>	30.7%	40.4%	<b>71.1%</b>	18.6%	9.9%	<b>28.5%</b>	0.4%
<b>  Dem.</b>	54.1%	34.9%	<b>89.0%</b>	8.6%	1.7%	<b>10.3%</b>	0.7%
<b>  Indep.</b>	31.2%	44.7%	<b>75.9%</b>	16.9%	5.8%	<b>22.7%</b>	1.5%

### SIZE OF GOVERNMENT

Another major issue is about the size of the federal government and how active it should be.

Based on the 2017 federal budget, the entire federal government would represent 21% of the economy or gross domestic product. The size of the federal budget as a percentage of the economy has varied over the last decades with changes in the level of government spending and the size of the economy. As you can see during the recent economic downturn there was a spike in government spending.



*Size of Government (cont.)*

So now, here are two arguments on the size of the federal government. For each one, please select whether you it convincing or unconvincing:

[Q3.] Too often, people think government is the solution, when it really is the problem. The federal government is susceptible to waste, fraud, and abuse. We’ve all seen how government can fail, whether by spending too much money or imposing heavy-handed regulations. Too often it gets involved in things that are best left to the private sector.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	42.3%	24.8%	<b>67.1%</b>	17.7%	14.7%	<b>32.4%</b>	0.4%
<b>GOP</b>	66.0%	25.1%	<b>91.1%</b>	6.6%	1.6%	<b>8.2%</b>	0.6%
<b>Dem.</b>	22.5%	22.0%	<b>44.5%</b>	27.3%	28.1%	<b>55.4%</b>	0.1%
<b>Indep.</b>	40.8%	30.8%	<b>71.6%</b>	17.8%	10.0%	<b>27.8%</b>	0.6%

[Q4.] We shouldn’t just cut government for its own sake. As a share of the economy, these days the federal government is at about the average for the last four decades and a bit smaller than it was under Ronald Reagan. More importantly, the government does many necessary things and we cannot just assume that the private sector will take care of them. People in government work to make sure that our food, air, and water are safe; that we have national parks; that we will be secure when we retire; that our airplanes are safe; and that we are protected from threats from abroad.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	34.8%	34.0%	<b>68.8%</b>	19.1%	11.7%	<b>30.8%</b>	0.3%
<b>GOP</b>	14.7%	34.5%	<b>49.2%</b>	30.8%	19.7%	<b>50.5%</b>	0.4%
<b>Dem.</b>	55.5%	30.7%	<b>86.2%</b>	8.7%	4.7%	<b>13.4%</b>	0.4%
<b>Indep.</b>	27.2%	41.0%	<b>68.2%</b>	19.9%	11.9%	<b>31.8%</b>	0.0%

**PUBLIC INVESTMENTS**

Another issue is about how important it is for the government to spend money on public investments, such as scientific and medical research, development of new sources of energy, development and maintenance of transportation infrastructure, and educating the population which provides the workforce.

Here are two arguments on this issue. For each one, please select whether you find it convincing or unconvincing:



[Q5.] When making up a budget, we should be sure to not scrimp on investing in the future, which can bring big returns later on. Investments in scientific discoveries, medical breakthroughs, and new sources of energy, upgrading the work force, and improving our transportation infrastructure are key for America to be prosperous, and to compete with rising nations in the decades to come. We cannot count on corporations seeking short-term profits to provide these public goods. Furthermore, such investments create good jobs in the short run, as well as a higher quality of life in the long run.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
National	37.7%	36.9%	<b>74.6%</b>	19.2%	6.1%	<b>25.3%</b>	0.1%
GOP	20.3%	40.8%	<b>61.1%</b>	28.6%	10.3%	<b>38.9%</b>	0.1%
Dem.	55.0%	32.3%	<b>87.3%</b>	10.7%	1.8%	<b>12.5%</b>	0.2%
Indep.	32.2%	39.9%	<b>72.1%</b>	20.1%	7.7%	<b>27.8%</b>	0.1%

[Q6.] Investment in the future is important, but the private sector is much better at it than government. The government is inefficient and wasteful. And when government officials “invest” taxpayers’ money they think more about what is good for their short-term political interests than the long-term interests of the country. Thus, there is no coherent and stable plan. Furthermore, when the government spends money on its pet projects, this pulls capital away from the private sector; those resources would be better left free for the natural innovation that responds to market demand.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
National	31.8%	30.5%	<b>62.3%</b>	23.4%	13.8%	<b>37.2%</b>	0.5%
GOP	51.0%	33.9%	<b>84.9%</b>	13.4%	1.7%	<b>15.1%</b>	0.1%
Dem.	16.4%	25.6%	<b>42.0%</b>	33.0%	24.4%	<b>57.4%</b>	0.5%
Indep.	29.0%	35.0%	<b>64.0%</b>	21.3%	13.3%	<b>34.6%</b>	1.4%

**DISCRETIONARY SPENDING**

Now, as we mentioned at the beginning, you will work with the spending in the Discretionary Budget --items whose amounts Congress considers and adjusts each year.

Then you will work with the taxes that make up the government’s general revenues—those revenues that Congress can vote to use for any purpose.

Presented below is the authorized budget for the year 2017 for 31 major areas of the Discretionary Budget.

For each area of government spending, please enter your recommended amounts, adjusting it up or down or leaving it the same.

In the box on the side, you will see the estimated deficits for 2017. As you go along you will see the effect of the changes you make on the deficit. Every time you increase spending, the deficit will go up. Every time you reduce spending, the deficit will go down. If you would recommend eliminating spending for one area, you must enter “0” for that spending item.

Later you will also have the opportunity to make changes in revenues or taxes. This too can increase or decrease the deficit.

You are not required to eliminate the deficit. You should make the budget that you think is best.

**Note:** Except where footnoted, when the Median response varies from the presented amount this means a majority of respondents (i.e. 50.1% or more) endorsed that amount of change or more. When the Median response does not vary from the presented amount, this means that a majority of respondents either endorsed that amount or, more often, there was not a majority for either increasing or decreasing the presented amount.

**[Q7.] Transportation:**

[Q7a.] Highways: building and maintaining interstate highways; implementing safety standards (\$69B).

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	69	40.6%	14.3%	41.1%	4.1%
<b>  </b> GOP	69	42.9%	14.2%	38.2%	4.7%
<b>  </b> Dem.	69	38.5%	14.1%	43.5%	3.9%
<b>  </b> Indep.	69	40.7%	14.8%	41.3%	3.2%

[Q7b.] Air travel and railroads: maintaining and administering airports and railways; air traffic control; implementing safety standards (\$27B).<sup>1</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	27	43.6%	21.7%	30.4%	4.2%
<b>  </b> GOP	25	52.9%	19.0%	22.8%	5.3%
<b>  </b> Dem.	27	34.2%	25.5%	36.8%	3.6%
<b>  </b> Indep.	27	47.0%	18.3%	31.0%	3.6%

[Q7c.] Mass transit: maintaining Amtrak, developing and maintaining intercity high-speed rail, implementing safety standards (\$19B).<sup>2</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	19	40.8%	14.7%	40.9%	3.6%
<b>  </b> GOP	17	54.0%	14.2%	27.6%	4.1%
<b>  </b> Dem.	20	27.1%	15.4%	54.1%	3.4%
<b>  </b> Indep.	19	46.1%	13.8%	37.1%	2.9%

**[Q8.] Federal Administration of Justice**

<sup>1</sup> Q7b. Only 49.8% of Republicans chose to cut spending to at least \$25B, while a 52.9% majority of Republicans chose to cut spending to at least \$26B.

<sup>2</sup> Q7c. Only 48.7% of Republicans chose to cut spending to at least \$17B, while a 54% majority of Republicans chose to cut spending to at least \$18B.

[Q8a.] Enforcement of federal laws (FBI, ATF); federal court system for crimes under federal law, primarily drug trafficking, plus fraud and certain violent crimes (\$31B).

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	30	59.7%	18.2%	18.0%	4.1%
<b>GOP</b>	30	55.3%	20.3%	19.9%	4.5%
<b>Dem.</b>	30	60.9%	19.5%	15.5%	4.1%
<b>Indep.</b>	30	65.7%	11.2%	19.9%	3.2%

[Q8b.] Federal prison system: building and running prisons, managing parole and re-entry supervision (\$7B).

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	7	35.9%	27.7%	32.4%	3.9%
<b>GOP</b>	7	34.3%	29.8%	31.5%	4.4%
<b>Dem.</b>	7	35.6%	27.4%	33.1%	3.9%
<b>Indep.</b>	7	39.8%	24.3%	32.6%	3.3%

[Q9.] Space Program (NASA): Space probes; the space shuttle, international space station; study of Earth from space (\$19B)<sup>3</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	15	55.1%	12.9%	27.9%	4.1%
<b>GOP</b>	15	63.7%	9.8%	21.6%	4.9%
<b>Dem.</b>	18	48.5%	15.3%	32.7%	3.6%
<b>Indep.</b>	16	52.9%	13.8%	29.8%	3.6%

[Q10.] Science: Support for basic and applied research in biology, computers, engineering, earth sciences, economics, energy, etc. (\$14B)<sup>4</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	14	43.3%	14.6%	38.5%	3.6%
<b>GOP</b>	10	62.6%	11.8%	21.4%	4.2%
<b>Dem.</b>	15	27.3%	16.1%	53.3%	3.2%
<b>Indep.</b>	14	41.6%	16.6%	38.5%	3.4%

<sup>3</sup> Q9. Only 48.5% overall chose to cut spending to at least \$15B, while overall a 50.7% majority chose to cut spending to at least \$17B. Among Democrats, 48.5% chose to cut spending to at least 18B and a 51.5% majority chose not to cut spending; Among Independents, 48.4% chose to cut spending to at least \$16B, while a 52.9% majority chose to cut spending to at least \$18B; Only 57.3% of Republicans chose to cut spending to \$15B.

<sup>4</sup> Q10. Only 52.4% of Republicans chose to increase spending to at least \$5B.



[Q11.] Medical research: Research on: various physical and mental diseases, child health, aging, mapping of human DNA (\$35B)<sup>5</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	33	48.8%	21.9%	25.3%	4.0%
<b>  </b> GOP	30	67.8%	15.6%	12.7%	3.9%
<b>  </b> Dem.	35	30.8%	28.6%	36.3%	4.3%
<b>  </b> Indep.	31	52.6%	19.2%	24.7%	3.5%

[Q12a.] Humanitarian assistance: Food aid to malnourished people, assistance in the event of disasters, aid to refugees from political conflict (\$5B)

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	5	31.5%	32.9%	31.9%	3.7%
<b>  </b> GOP	5	46.6%	34.5%	14.5%	4.4%
<b>  </b> Dem.	5	18.1%	33.0%	45.3%	3.6%
<b>  </b> Indep.	5	32.6%	29.3%	35.6%	2.5%

[Q12b.] Development assistance: Aid to people in poverty to help them develop economically; providing loans, training, technology; the Peace Corps (\$11B)<sup>6</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	10	61.2%	13.6%	21.5%	3.7%
<b>  </b> GOP	7	82.3%	7.1%	6.7%	4.0%
<b>  </b> Dem.	11	41.0%	20.9%	34.2%	3.9%
<b>  </b> Indep.	10	65.8%	9.6%	21.8%	2.9%

[Q12c.] Global Health: Medical aid to people in poor countries, AIDS prevention, child survival, international efforts to prevent pandemics. (\$9B)<sup>7</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	8	50.4%	17.5%	28.1%	4.0%
<b>  </b> GOP	5	72.8%	11.5%	11.2%	4.5%
<b>  </b> Dem.	9	32.2%	22.8%	41.0%	4.0%
<b>  </b> Indep.	9	48.0%	17.0%	32.2%	2.8%

[Q12d.] Economic Support Fund: Economic development aid to countries of strategic concern to the U.S. such as Afghanistan, Pakistan, and Egypt (\$6B).<sup>8</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	5	67.1%	16.6%	12.5%	3.9%

<sup>5</sup> Q11. Only 47.2% overall chose to cut spending to at least \$33B, while a 51.2% majority overall chose not to cut spending. Among Independents, 48.7% chose to cut spending to at least \$31B, while a 51.1% majority chose to cut spending to at least \$33B. Only 62.1% of Republicans chose to cut spending to at least \$10B.

<sup>6</sup> Q12b. Only 50.6% of Republicans chose to cut spending to at least \$7B.

<sup>7</sup> Q12c. Only 51.9% of Republicans chose to cut spending to at least \$5B.

<sup>8</sup> Q12d. Only 56.7% of Republicans chose to cut spending to at least \$4B.

GOP	4	81.4%	9.9%	4.5%	4.2%
Dem.	5	54.1%	24.0%	18.1%	3.8%
Indep.	5	68.6%	12.7%	15.4%	3.3%

[Q12e.] Military Aid: For countries of strategic interest to the U.S, primarily military equipment and weapons, approximately one-third to Israel (\$6B).

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	5	57.0%	20.9%	18.0%	4.0%
GOP	5	56.4%	20.6%	18.5%	4.5%
Dem.	5	55.8%	21.2%	19.1%	3.9%
Indep.	5	61.1%	20.9%	14.6%	3.4%

[Q13.] State Department: To manage US diplomatic and economic relations with other countries, deal with international conflicts, maintain embassies. (\$12B)<sup>9</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	10	54.8%	22.1%	19.1%	4.0%
GOP	10	69.5%	15.9%	9.7%	4.9%
Dem.	12	42.8%	26.7%	26.9%	3.6%
Indep.	10	53.1%	23.7%	19.7%	3.5%

[Q14.] International Organizations: United Nations, UN peacekeeping and other international organizations to deal with health, nuclear proliferation etc. (\$4B)<sup>10</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	4	41.6%	27.2%	27.9%	3.3%
GOP	2	64.3%	18.3%	13.9%	3.5%
Dem.	4	22.2%	34.6%	40.1%	3.1%
Indep.	4	41.4%	27.7%	27.6%	3.4%

### [Q15.] Environment and natural resources

[Q15a.] Land management: oversight of livestock grazing, mining, drilling and solar energy on public lands; wildlife protection; firefighting; protection of wetlands, water conservation (\$20B).<sup>11</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	20	46.9%	29.6%	20.5%	3.0%
GOP	15	64.1%	22.4%	9.3%	4.2%
Dem.	20	31.7%	36.6%	29.6%	2.2%
Indep.	20	47.7%	27.9%	21.7%	2.6%

[Q15b.] Pollution control: monitoring pollution of air, water, and soil; enforcing regulations; cleaning up pollution and hazardous waste sites. (\$9B)

<sup>9</sup> Q13. Only 51.8% overall chose to cut spending to at least \$10B as did 65.9% of Republicans and 50.1% of Independents.

<sup>10</sup> Q14. Only 51.6% of Republicans chose to cut spending to at least \$2B.

<sup>11</sup> Q15a. Only 50.9% of Republicans chose to cut spending to at least \$15B.

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	9	32.3%	16.5%	48.0%	3.2%
<b>GOP</b>	8	54.6%	15.5%	25.2%	4.6%
<b>Dem.</b>	10	14.5%	17.3%	65.9%	2.3%
<b>Indep.</b>	10	28.6%	16.8%	52.0%	2.6%

[Q16.] Housing Programs: for the elderly and people with low incomes (\$48B)<sup>12</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	47	46.4%	17.0%	32.6%	3.9%
<b>GOP</b>	44	63.2%	14.1%	17.5%	5.2%
<b>Dem.</b>	48	31.1%	19.6%	46.0%	3.3%
<b>Indep.</b>	47.5	48.5%	16.8%	31.9%	2.9%

[Q17.] Homeland Security: Border protection, TSA, immigration, and responding to disasters (\$47B)<sup>13</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	45	51.7%	14.9%	29.2%	4.2%
<b>GOP</b>	47	34.5%	16.9%	43.5%	5.1%
<b>Dem.</b>	42	64.8%	14.2%	17.1%	3.9%
<b>Indep.</b>	45	55.8%	12.6%	28.3%	3.3%

[Q18.] Veterans' Benefits: medical care, home loans, and education for veterans (\$179B)

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	179	34.0%	16.0%	46.8%	3.3%
<b>GOP</b>	180	32.2%	15.1%	48.2%	4.5%
<b>Dem.</b>	179	34.5%	17.4%	45.6%	2.5%
<b>Indep.</b>	179	36.4%	14.4%	46.5%	2.7%

[Q19.] Job training: retraining workers, helping them find jobs (\$20B).<sup>14</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	20	39.5%	27.6%	29.3%	3.6%
<b>GOP</b>	17	55.1%	25.1%	15.8%	4.1%
<b>Dem.</b>	20	24.9%	31.7%	40.2%	3.1%
<b>Indep.</b>	20	42.5%	23.2%	30.9%	3.4%

<sup>12</sup> Q16. Only 47.7% of Republicans chose to cut spending to at least \$44B, while a 59.9% majority of Republicans chose to cut spending to at least \$45B. Among Independents, only 49.1% chose to cut spending to at least \$47.5.

<sup>13</sup> Q17. Overall 50.7% chose to cut spending to at least \$45B. Only 48.6% of Democrats chose to cut spending to at least \$42B and 49.6% to cut spending to at least \$44B, while a 63.5% majority of Democrats chose to cut spending to at least \$45B.

<sup>14</sup> Q19. Only 48.3% of Republicans chose to cut spending to at least \$17B, while a 53.6% majority of Republicans chose to cut spending to at least \$18B.

[Q20.] Energy Conservation/Renewable Energy: Research and development of solar, wind, geothermal, etc.; improving energy efficiency; weatherproofing (\$2B).<sup>15</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	4	20.8%	20.4%	55.3%	3.6%
<b>  </b> GOP	2	38.3%	24.7%	31.6%	5.3%
<b>  </b> Dem.	5	6.6%	18.4%	72.8%	2.2%
<b>  </b> Indep.	5	18.7%	16.4%	61.8%	3.0%

[Q21a.] Elementary and secondary education: aiding rural and urban school districts in poor areas, national testing, teacher training (\$35B)<sup>16</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	35	40.7%	23.3%	32.1%	3.9%
<b>  </b> GOP	30	60.9%	18.7%	15.4%	5.0%
<b>  </b> Dem.	35	21.6%	27.0%	47.9%	3.5%
<b>  </b> Indep.	35	44.6%	24.1%	28.7%	2.6%

[Q21b.] Special education for students with disabilities (\$13B)<sup>17</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	13	29.0%	22.0%	44.8%	4.2%
<b>  </b> GOP	13	43.0%	21.1%	31.2%	4.8%
<b>  </b> Dem.	15	15.9%	24.0%	56.2%	3.9%
<b>  </b> Indep.	13	31.5%	19.1%	45.7%	3.7%

[Q21c.] Higher education, primarily financial aid for college students; includes Pell Grants (\$32B)<sup>18</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	30	48.4%	14.4%	33.7%	3.6%
<b>  </b> GOP	25	71.1%	9.0%	15.8%	4.1%
<b>  </b> Dem.	33	25.6%	20.1%	50.9%	3.4%
<b>  </b> Indep.	30	55.9%	11.7%	29.6%	2.9%

[Q22a.] Subsidies to small farmers (farms below 500 acres), provided on a regular annual basis (\$5B).

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	5	22.6%	34.9%	38.6%	4.0%
<b>  </b> GOP	5	27.8%	35.5%	32.7%	4.1%

<sup>15</sup> Q20. Only 58.9% of Democrats chose to increase spending to at least \$5B. Among Independents, 49.6% chose to increase spending to at least \$5B, while a 55.2% majority chose to increase spending to at least \$4B.

<sup>16</sup> Q21a. Only 55.2% of Republicans chose to cut spending to at least \$30B.

<sup>17</sup> Q21b. Only 51.2% of Democrats chose to increase spending to at least \$15B.

<sup>18</sup> Q21c. Only 47.7% overall chose to cut spending to at least \$30B, while a 50.4% majority chose not to cut spending. Meanwhile, 48.8% of Republicans chose to cut spending to at least \$25B, and a 50.3% majority of Republicans chose to cut spending to at least \$28B.

Dem.	5	16.9%	36.6%	42.2%	4.3%
Indep.	5	25.3%	29.7%	42.0%	2.9%

[Q22b.] Subsidies to agricultural corporations with large farms, and manufacturers of farming equipment and fertilizers (\$15B).<sup>19</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	10	71.7%	14.6%	10.7%	3.0%
<b>GOP</b>	10	74.4%	16.1%	6.4%	3.1%
Dem.	10	70.4%	13.7%	13.1%	2.8%
Indep.	10	69.5%	13.6%	13.8%	3.1%

[Q23a.] Regular operations of military forces: purchasing weapons and equipment, developing new weapon systems, support for personnel, maintaining overseas bases (\$526B)<sup>20</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	500	66.6%	10.9%	19.0%	3.5%
<b>GOP</b>	526	47.3%	15.4%	32.9%	4.4%
Dem.	450	83.2%	8.1%	6.0%	2.6%
Indep.	490	66.4%	8.4%	21.6%	3.6%

[Q23b.] Estimated cost of military operations in Afghanistan and against Islamic State in Iraq (\$65B)<sup>21</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	50	67.0%	18.5%	10.6%	3.9%
<b>GOP</b>	60	56.5%	22.7%	16.2%	4.6%
Dem.	50	73.9%	16.5%	6.2%	3.4%
Indep.	50	72.1%	14.4%	9.6%	3.9%

[Q23c.] Intelligence agencies: Gathering and analyzing information collected by spies and satellite systems; includes CIA, NSA, military intelligence (\$54B).<sup>22</sup>

	Median	Decrease	Keep same	Increase	Ref / Dk
<b>National</b>	50	58.6%	17.5%	20.1%	3.9%
<b>GOP</b>	50	59.2%	16.0%	20.1%	4.7%
Dem.	50	57.9%	19.0%	20.0%	3.2%
Indep.	50	58.9%	17.0%	20.2%	3.9%

<sup>19</sup> Q22b. Only 58% overall chose to cut spending to at least \$10B as did 55.2% of Democrats and 59.8% of Republicans.

<sup>20</sup> Q23a. Only 58% overall chose to cut spending to at least \$500B. Only a 52.9% majority of Democrats chose to cut spending to at least \$450B; only 48.2% of Independents chose to cut spending to at least \$490B, while a 60.6% majority of Independents chose to cut spending to at least \$500B.

<sup>21</sup> Q23b. Only 49.7% overall chose to cut spending to at least \$50B, while overall a 50.1% majority chose to cut spending to at least \$52B; Among Independents, Only 57.6% of Independents chose to cut spending to at least \$50B. Only 55.3% of Democrats chose to cut spending to at least \$50B, while only 53.5% of Republicans chose to cut spending to at least \$60B.

<sup>22</sup> Q23c. Only 55.9% overall chose to cut spending to at least \$50B as did 55.8% of Democrats, 56.3% of Republicans and 56.1% of Independents

[Q23d.] Nuclear weapons upgrading, maintenance, and safety by the Energy Department (\$20B)

	Median	Decrease	Keep same	Increase	Ref / Dk
National	20	41.4%	35.4%	19.1%	4.0%
GOP	20	34.6%	37.9%	23.0%	4.5%
Dem.	20	45.4%	34.6%	16.4%	3.6%
Indep.	20	45.7%	32.5%	17.6%	4.2%

## REVENUES

We will now turn to General Revenues or taxes. In a moment you will be able to adjust various forms of taxes.

But first, we would like you to consider some issues about taxes.

The first is a debate on whether it is important to reduce taxes. Here are some arguments on this issue. For each one, please select whether you find it convincing or unconvincing:

[Q24.] For the economy to grow, it is important to reduce tax rates. There have been numerous cases when taxes were cut and the economy grew: under Kennedy in the 1960s, or when capital gains went down in 1997. All across the country businesses are being held back by high taxes from growing and creating more jobs. This makes investors hesitate from investing, because they are not confident they will get a good return. All this dampens the economy. Lower tax rates will energize the economy and free up the natural vitality of our system.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
National	27.9%	39.3%	67.2%	20.7%	11.5%	32.2%	0.5%
GOP	43.6%	45.2%	88.8%	10.1%	1.0%	11.1%	0.1%
Dem.	14.6%	35.2%	49.8%	28.5%	20.8%	49.3%	0.9%
Indep.	27.7%	36.9%	64.6%	24.0%	11.1%	35.1%	0.4%

[Q25.] We still have a major deficit—it would be unwise and shortsighted to cut taxes, as this would add to the debt. It is a myth that lower taxes necessarily help the economy. In the 1950s and '60s taxes were far higher-- yet the economy boomed and was better than at any time since. After 2001, when taxes were cut, the economy did not perform as well as in the 1990s when they were higher. What is most important is that we have a realistic and balanced approach that considers what we really need from government and what taxes are needed to pay for it.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
National	28.0%	39.1%	67.1%	23.2%	9.2%	32.4%	0.5%



GOP	15.1%	36.3%	<b>51.4%</b>	31.2%	17.1%	<b>48.3%</b>	0.3%
Dem.	41.6%	40.1%	<b>81.7%</b>	15.3%	2.4%	<b>17.7%</b>	0.5%
Indep.	22.0%	42.6%	<b>64.6%</b>	25.4%	9.1%	<b>34.5%</b>	0.9%

Another debate is about what the income tax rate should be for people with very high incomes.

Here are two arguments on this issue. For each one, please select whether you find it convincing or unconvincing:

[Q26.] Over the last several decades, the wealth of most Americans has barely grown at all, even though Americans workers have become far more productive. Meanwhile, the wealth of the people in the top brackets has grown by leaps and bounds, so that the top 1% now has more wealth than the entire bottom 80%. A key reason is that taxes on upper incomes have been cut and are far lower than they were just decades ago, as well as being lower than they are in most developed democracies. It's great that the wealthy have succeeded, but it is only fair that they pay their share--and they can afford it.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	55.8%	23.8%	<b>79.6%</b>	11.1%	8.3%	<b>19.4%</b>	0.9%
GOP	33.7%	28.8%	<b>62.5%</b>	19.4%	16.9%	<b>36.3%</b>	1.2%
Dem.	76.2%	16.9%	<b>93.1%</b>	4.2%	1.9%	<b>6.1%</b>	0.7%
Indep.	52.8%	29.8%	<b>82.6%</b>	10.5%	6.1%	<b>16.6%</b>	0.8%

[Q27.] The people at the top already pay a lot. In reality, the one in ten who are best off are paying two-thirds of the amount the federal government collects in income tax--and the top tax rate already went up in 2013. Furthermore, people with high incomes play an important role in the economy. Because they are the ones that have amassed capital, they can take the risk to create new businesses that hire people. With the economy still recovering, this is no time to pursue more 'soak the rich' policies. We want to encourage them to invest and create jobs.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	16.5%	26.7%	<b>43.2%</b>	27.3%	28.7%	<b>56.0%</b>	0.7%
GOP	29.6%	38.0%	<b>67.6%</b>	21.8%	9.4%	<b>31.2%</b>	1.2%
Dem.	7.8%	17.6%	<b>25.4%</b>	30.8%	43.7%	<b>74.5%</b>	0.2%
Indep.	10.4%	25.4%	<b>35.8%</b>	30.4%	32.8%	<b>63.2%</b>	1.0%

Another debate is about whether taxes should be used to discourage certain things that create costs for society, such as the use of tobacco and alcohol, or the production of pollutants.

Here are two arguments on this issue. For each one, please select whether you find it convincing or unconvincing:

[Q28.] Let's face it: taxes are no fun. So, it makes sense to use taxes to discourage things that can be harmful and create costs for society that taxpayers end up paying for. Tobacco should be taxed to discourage smoking and reduce related healthcare costs. Alcohol should be taxed to discourage excessive drinking and reduce drunk driving accidents. Pollution should be taxed to discourage things that hurt the environment and public health, and to encourage alternatives. Every dollar raised this way is a dollar that doesn't have to be taken out of working people's paychecks.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	36.4%	30.0%	<b>66.4%</b>	18.8%	14.3%	<b>33.1%</b>	0.5%
<b>GOP</b>	26.6%	26.3%	<b>52.9%</b>	26.0%	20.5%	<b>46.5%</b>	0.6%
<b>Dem.</b>	45.4%	35.1%	<b>80.5%</b>	13.2%	6.2%	<b>19.4%</b>	0.0%
<b>Indep.</b>	35.1%	25.7%	<b>60.8%</b>	17.1%	20.8%	<b>37.9%</b>	1.3%

[Q29.] Government should not be in the business of trying to regulate people's behavior through taxes. That leads to a nanny state, imposing its ideas about personal virtue on individuals, and poking into our private affairs. It also can mean imposing more taxes on people with modest incomes: for example, making someone who has a long commute pay more to get to work. Also this kind of thing makes the tax code much more complex and favors some industries over others. We should use the tax code to raise revenues in the most efficient, pro-growth way.

	Very convincing	Somewhat convincing	Somewhat unconvincing	Very unconvincing			
	1	2	3	4			
	Very convincing	Somewhat convincing	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	28.2%	32.5%	<b>60.7%</b>	25.0%	13.8%	<b>38.8%</b>	0.5%
<b>GOP</b>	40.1%	36.2%	<b>76.3%</b>	16.4%	7.2%	<b>23.6%</b>	0.1%
<b>Dem.</b>	18.7%	27.3%	<b>46.0%</b>	33.0%	20.4%	<b>53.4%</b>	0.6%
<b>Indep.</b>	26.3%	37.1%	<b>63.4%</b>	23.5%	11.9%	<b>35.4%</b>	1.2%

The first revenue area for you to make choices will be about personal income taxes—the biggest source of revenues.

### **PERSONAL INCOME TAXES**

The next screen shows the average *effective income tax rates* for people with different levels of income. These are lower than a person's marginal tax bracket, which you may have heard about. The effective tax rate shown is the percentage of their adjusted gross income that people actually pay, after exemptions, credits and deductions.

This only deals with income tax, not payroll taxes for Social Security and Medicare.

The lowest income level shown is \$30,000. While those with less income pay payroll taxes, they typically pay little or no income tax.

The table will give you the opportunity to keep the rates currently in place, or to increase or reduce the effective rates for one or more income category. Each selection shows how much revenue it would generate, if any.

For example, if you want to increase the effective tax rate for people with incomes from \$100,000 to \$200,000 by 5%, you would select the option indicated in the example below, increasing their effective tax rate by 0.6% from 12.7% to 13.3%, increasing government revenues by \$13.9 billion and reducing the deficit by that amount.

	Avg. effective tax rate	Reductions in effective tax rate and revenue lost				No change	Increase in effective tax rate and revenue gained			
		-20%	-15%	-10%	-5%		+5%	+10%	+15%	+20%
<b>\$100,000 - \$200,000</b>	12.7%	10.2%	10.8%	11.4%	12.1%	12.7%	13.3%	14.0%	14.6%	15.2%
<b>Effect on Revenue</b>		-\$55.7B	-\$41.8B	-\$27.9B	-\$13.9B	\$0B	+\$13.9B	+\$27.9B	+\$41.8B	+\$55.7B

If, on the other hand, you wanted to keep their taxes at their current levels, you would need to choose no change as indicated below.

	Avg. effective tax rate	Reductions in effective tax rate and revenue lost				No change	Increase in effective tax rate and revenue gained			
		-20%	-15%	-10%	-5%		+5%	+10%	+15%	+20%
<b>\$100,000 - \$200,000</b>	12.7%	10.2%	10.8%	11.4%	12.1%	12.7%	13.3%	14.0%	14.6%	15.2%
<b>Effect on Revenue</b>		-\$55.7B	-\$41.8B	-\$27.9B	-\$13.9B	\$0B	+\$13.9B	+\$27.9B	+\$41.8B	+\$55.7B

Remember to please select one of the options for each of tax brackets indicated below.

<b>Q30a. \$30,000 - \$40,000</b>	6.7%	5.4%	5.7%	6.0%	6.4%	6.7%	7.0%	7.4%	7.7%	8.0%
<b>Effect on Revenue</b>		-\$4.8B	-\$3.6B	-\$2.4B	-\$1.2B	\$0B	+\$1.2B	+\$2.4B	+\$3.6B	+\$4.8B

	-20%	-15%	-10%	-5%	No Change	5%	10%	15%	20%
<b>National</b>	10.7%	4.9%	9.8%	19.0%	40.6%	7.3%	1.7%	1.6%	2.6%
<b>  GOP</b>	8.9%	5.0%	9.0%	19.6%	40.5%	8.9%	2.8%	0.6%	3.5%
<b>  Dem.</b>	10.6%	3.9%	10.2%	19.9%	41.4%	6.4%	0.8%	2.3%	2.3%
<b>  Indep.</b>	14.6%	6.8%	10.4%	15.4%	39.1%	6.2%	1.4%	1.9%	1.7%

<b>Q30b. \$40,000 - \$50,000</b>	7.4%	5.9%	6.3%	6.7%	7.0%	7.4%	7.8%	8.1%	8.5%	8.9%
<b>Effect on Revenue</b>		-\$6.2B	-\$4.7B	-\$3.1B	-\$1.6B	\$0B	+\$1.6B	+\$3.1B	+\$4.7B	+\$6.2B

	-20%	-15%	-10%	-5%	No Change	5%	10%	15%	20%
<b>National</b>	8.8%	6.0%	9.2%	18.7%	41.1%	8.9%	2.0%	0.8%	2.2%
<b>  GOP</b>	8.3%	4.6%	9.1%	18.9%	41.5%	9.7%	2.2%	0.9%	2.9%
<b>  Dem.</b>	8.4%	6.3%	9.3%	20.1%	41.4%	7.2%	2.2%	1.0%	2.0%

Indep.	10.8%	8.1%	8.9%	14.7%	39.6%	11.5%	1.5%	0.0%	1.3%	
<b>Q30c. \$50,000 - \$75,000 Effect on Revenue</b>	8.6%	6.9%	7.3%	7.7%	8.2%	8.6%	9.0%	9.5%	9.9%	10.3%
		-\$19.1B	-\$14.3B	-\$9.6B	-\$4.8B	\$0B	+\$4.8B	+\$9.6B	+\$14.3B	+\$19.1B
	<b>-20%</b>	<b>-15%</b>	<b>-10%</b>	<b>-5%</b>	<b>No Change</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	
<b>National</b>	7.9%	3.6%	7.3%	15.9%	42.3%	14.8%	2.4%	1.4%	2.3%	
GOP	8.5%	3.4%	8.5%	16.1%	40.4%	15.9%	1.8%	1.5%	2.6%	
Dem.	6.8%	3.4%	6.2%	16.2%	45.3%	13.1%	2.8%	1.2%	2.6%	
Indep.	9.4%	4.8%	7.6%	14.8%	39.0%	16.9%	2.8%	1.4%	0.8%	
<b>Q30d. \$75,000 - \$100,000 Effect on Revenue</b>	9.6%	7.7%	8.2%	8.6%	9.1%	9.6%	10.1%	10.6%	11.0%	11.5%
		-\$20.5B	-\$15.4B	-\$10.3B	-\$5.1B	\$0B	+\$5.1B	+\$10.3B	+\$15.4B	+\$20.5B
	<b>-20%</b>	<b>-15%</b>	<b>-10%</b>	<b>-5%</b>	<b>No Change</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	
<b>National</b>	7.1%	2.6%	5.0%	11.9%	40.5%	22.9%	5.2%	2.2%	2.4%	
GOP	7.3%	2.7%	6.7%	12.7%	40.3%	22.1%	4.5%	1.3%	2.4%	
Dem.	6.8%	2.0%	3.5%	12.3%	43.6%	21.1%	5.8%	2.6%	2.4%	
Indep.	7.6%	4.0%	5.3%	9.7%	33.7%	29.2%	5.3%	3.1%	2.3%	
<b>Q30e. \$100,000 - \$200,000 Effect on Revenue</b>	12.7%	10.2%	10.8%	11.4%	12.1%	12.7%	13.3%	14.0%	14.6%	15.2%
		-\$55.7B	-\$41.8B	-\$27.9B	-\$13.9B	\$0B	+\$13.9B	+\$27.9B	+\$41.8B	+\$55.7B
	<b>-20%</b>	<b>-15%</b>	<b>-10%</b>	<b>-5%</b>	<b>No Change</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	
<b>National</b>	6.3%	2.3%	3.1%	7.5%	28.1%	32.7%	9.2%	3.6%	5.2%	
GOP	8.4%	3.1%	3.9%	11.3%	31.4%	28.4%	5.5%	2.2%	4.5%	
Dem.	4.6%	1.4%	2.7%	5.5%	27.0%	34.7%	12.6%	3.6%	5.9%	
Indep.	6.3%	3.0%	2.3%	4.4%	24.1%	36.6%	8.8%	6.3%	5.1%	
<b>Q30f. \$200,000 - \$500,000 Effect on Revenue</b>	19.7%	15.8%	16.7%	17.7%	18.7%	19.7%	20.7%	21.7%	22.7%	23.6%
		-\$50.1B	-\$37.6B	-\$25.1B	-\$12.5B	\$0B	+\$12.5B	+\$25.1B	+\$37.6B	+\$50.1B
	<b>-20%</b>	<b>-15%</b>	<b>-10%</b>	<b>-5%</b>	<b>No Change</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	
<b>National</b>	5.6%	1.3%	2.0%	5.3%	19.5%	30.0%	18.7%	7.4%	7.9%	
GOP	7.7%	2.4%	3.4%	10.4%	22.4%	30.3%	12.2%	3.8%	5.0%	
Dem.	4.0%	0.4%	1.1%	2.2%	17.3%	30.4%	23.6%	8.9%	9.9%	
Indep.	5.0%	1.2%	1.1%	2.2%	18.8%	28.2%	20.5%	11.1%	9.0%	
<b>Q30g. \$500,000 - \$1 million Effect on Revenue</b>	25.9%	20.7%	22.0%	23.3%	24.6%	25.9%	27.2%	28.5%	29.8%	31.1%
		-\$25.2B	-\$18.9B	-\$12.6B	-\$6.3B	\$0B	+\$6.3B	+\$12.6B	+\$18.9B	+\$25.2B
	<b>-20%</b>	<b>-15%</b>	<b>-10%</b>	<b>-5%</b>	<b>No Change</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	
<b>National</b>	5.4%	1.6%	2.3%	5.0%	15.7%	24.0%	16.6%	12.5%	14.4%	
GOP	8.3%	2.8%	3.6%	8.3%	20.8%	27.1%	12.7%	7.6%	6.7%	

	-20%	-15%	-10%	-5%	No Change	5%	10%	15%	20%
<b>National</b>	5.8%	0.9%	2.0%	4.2%	15.3%	17.8%	15.9%	10.5%	25.5%
<b>  GOP</b>	9.2%	1.5%	3.4%	7.7%	19.3%	22.4%	14.9%	7.2%	12.1%
<b>  Dem.</b>	3.2%	0.7%	1.3%	2.5%	11.5%	13.9%	17.2%	13.0%	35.0%
<b>  Indep.</b>	5.2%	0.0%	0.9%	1.3%	16.1%	17.7%	14.7%	11.2%	30.3%
<b>  Dem.</b>	2.6%	0.5%	1.5%	3.8%	11.1%	22.6%	19.7%	15.6%	19.9%
<b>  Indep.</b>	5.8%	1.6%	1.8%	1.1%	16.1%	21.3%	17.4%	15.0%	17.0%

<b>Q30h. Above \$1 million</b>	28.1%	22.5%	23.9%	25.3%	26.7%	28.1%	29.5%	30.9%	32.3%	33.7%
<b>Effect on Revenue</b>		-\$61.2B	-\$45.9B	-\$30.6B	-\$15.3B	\$0B	+\$15.3B	+\$30.6B	+\$45.9B	+\$61.2B

Here are some other possible changes for revenue.

[Q31.] Managers of private investment funds, such as hedge funds, are paid in part by giving them a percentage of the profits of the firm even though they have not invested money that is at risk. Currently this income is taxed at the same level as dividends or capital gains -- that is, with a top rate of 23.8%, which for high income managers is substantially less than it would be if it were taxed like ordinary income. One proposal is to tax this "carried interest" compensation like ordinary income. This would raise extra revenue of \$2.1 billion and reduce the deficit accordingly. What is your position?

	<u>Effect on Revenue</u>
Keep the tax rate for "carried interest" income at a top rate of 20%	-0-
Tax "carried interest" income like ordinary income, such as wages	+\$2.1 B

	<u>Keep the tax rate for "carried interest income at a top rate of 20%</u>	<u>tax "carried interests" income like ordinary income, such as wages</u>	<u>Ref./Dk</u>
<b>National</b>	19.6%	77.7%	2.70%
<b>  GOP</b>	22.3%	74.9%	2.80%
<b>  Dem.</b>	17.0%	80.6%	2.30%
<b>  Indep.</b>	20.4%	76.6%	3.10%

[Q32b.] Here is a proposal that would reduce taxes for some business owners and also reduce revenues. There is a kind of business that does not pay corporate taxes. Rather, the owners of the business simply report their profits from the business and pay ordinary income tax rates. The proposal is to give these owners the option to pay a fixed rate of 15%, which could be significantly less than what they would otherwise pay. This would result in a loss of \$74.5 billion in federal revenues.

What is your position?

	<u>Effect on Revenue</u>
1 Do not offer the option of a fixed rate of 15% on profits that owners of businesses make	-0-
2 Offer the option of a fixed rate of 15% on profits that owners of businesses make	-\$74.5 B

	Do not offer the option of a fixed rate of 15% on profits that owners of businesses make	Offer the option of a fixed rate of 15% on profits that owners of businesses make	Ref./Dk
National	65.5%	31.7%	2.80%
GOP	61.9%	36.5%	1.70%
Dem.	69.7%	26.5%	3.80%
Indep.	63.1%	34.1%	2.80%

Q32: Most corporations or businesses pay a tax on their profits. Just like individuals, corporations have exemptions, credits and other deductions that are applied to their profits before calculating their income tax. According to the General Accountability Office, the average effective tax rate for corporations—the amount they actually pay—is about 19.2% of profits. You now have an opportunity to adjust this rate. What is your position?

	Current Avg. Effective Tax Rate	Reductions in effective tax rate and revenue lost				No Change	Increase in effective tax rate and revenue gained			
		-30%	-20%	-10%	-5%		5%	10%	20%	30%
Change To Tax Rate	19.2%	13.4%	15.4%	17.3%	18.2%	19.2%	20.2%	21.1%	23%	25%
Effect on Revenue		-\$103B	-\$69B	-\$34B	-\$17B	\$0B	+\$17B	+\$34B	+\$69B	+\$103B

	-20%	-15%	-10%	-5%	No Change	5%	10%	15%	20%	Ref./Dk
National	3.7%	4.5%	4.9%	9.0%	24.3%	28.8%	11.8%	5.6%	6.4%	1.00%
GOP	3.9%	7.5%	5.7%	13.8%	27.5%	26.3%	8.1%	3.0%	3.3%	1.00%
Dem.	3.1%	2.7%	4.2%	6.0%	19.9%	30.8%	15.3%	8.0%	9.5%	0.60%
Indep.	4.7%	2.6%	4.8%	6.5%	28.0%	29.3%	10.8%	5.5%	5.7%	2.10%

[Q32a.] As you may know, income from capital gains and dividends is taxed separately than other kinds of income (such as income from wages and salaries).

**Capital gains** are profits from the sale of certain types of investments, such as property or shares of stock. **Dividends** are profits distributed to a company's shareholders.

Currently, the top capital gains and dividends tax rate is 23.8 percent, which is lower than taxes on ordinary income from wages and salaries.

Here are two proposals for changing the way capital gains and dividends are taxed

One proposal increases capital gains and dividend taxes for high-income earners. The new top tax rate would rise from 23.8 percent to 28 percent.

This proposal would only affect high-income earners:

- Married couples making \$500,000 or more
- Single persons earning \$430,000 or more.

This would increase revenues by \$22 billion.

Another proposal would lower the tax on capital gains and dividends and interest income as well, by taxing them at half the rate of income from salaries and wages. This means the top rate would be 16.5%.

This would reduce revenues by \$51 billion.



What is your position?

		<u>Effect on Revenue</u>
1	Raise the top marginal tax rate on capital gains and dividends from 23.8 to 28 percent for high income earners	+\$22 B
2	Do not change the top marginal tax rate on capital gains and dividends	-0-
3	Lower tax on capital gains, dividends, and interest, by taxing them at half the rate of salaries and wages, with a top rate of 16.5%.	-\$51 B

	Raise the top marginal tax rate on capital gains and dividends	Do not change the top marginal tax rate on capital gains and dividends	Tax them at half the rate of salaries and wages	Refused/ Don't know
<b>National</b>	62.7%	21.5%	15.0%	0.8%
<b>  </b> GOP	49.4%	28.5%	20.9%	1.1%
<b>  </b> Dem.	74.0%	15.1%	10.2%	0.7%
<b>  </b> Indep.	63.0%	22.1%	14.4%	0.5%

[Q33a.] As you may know, the estate tax is paid by heirs when the amount they inherit goes above a certain amount. Currently heirs pay no tax on the amount they inherit up to \$5.5 million. For the amount over and above the \$5.5 million, they may pay a tax as high as 40%, depending on other deductions they may have. Since last year, there has been discussion about whether the estate tax should be eliminated, kept as it is or increased. Four key options are shown below, with the revenue effect on the projected deficit. What is your position?

		<u>Effect on Revenue</u>
1	Eliminate the estate tax completely.	-\$20 B
2	Continue the current law: A tax only on inherited wealth over and above \$5.5 million, with a tax rate that can be as high as 40%.	\$0 B
3	For inherited wealth over and above \$5.5 million, raise the highest possible rate to 45%	\$7.8 B
4	Lower the amount of inherited wealth that is tax-free to \$3.5 million and have rates that go gradually higher than 45%, so that when inherited wealth reaches \$500 million the tax rate could be as high as 65%.	\$12.4 B

	Eliminate the estate tax	Continue the current law	Raise the highest possible rate to 45%	Lower amount of that is tax-free to, and have rates that go higher than 45%	Refused / Don't know
<b>National</b>	22.4%	25.5%	20.6%	30.5%	1.1%
<b>  </b> GOP	36.2%	25.8%	15.9%	21.1%	1.1%
<b>  </b> Dem.	9.9%	24.7%	24.0%	40.5%	0.9%
<b>  </b> Indep.	23.9%	26.6%	21.9%	26.4%	1.3%

[Q33b.] Another proposal imposes a fee on very large financial institutions (such as banks) that have taken on large amounts of uninsured debt, in an effort to discourage them from taking on high levels of risk, as well as to generate revenue. Institutions with assets over \$50 billion (these are roughly the 100 largest firms) would pay a fee of seven-tenths of a percent on their uninsured debt.

		<u>Effect on Revenue</u>
1	Do not charge a fee to large banks and financial institutions	-0-

2 Charge a fee to large banks and financial institutions +\$6 B

	Do not charge	Charge a fee	Ref./Dk
<b>National</b>	22.3%	77.0%	0.70%
<b>  </b> GOP	26.8%	72.7%	0.50%
<b>  </b> Dem.	16.2%	83.1%	0.70%
<b>  </b> Indep.	27.7%	71.3%	0.90%

[Q34.] Every day that financial markets are open, roughly \$1 trillion worth of stocks, bonds and derivatives are traded. Another proposal would tax each trade transaction by a hundredth of one percent (0.01%) of the value of the security being traded. For example, this would be a tax of \$1 on a trade worth \$10,000. What is your position?

	<u>Effect on Revenue</u>
1 Do not charge a tax on financial transactions	-0-
2 Charge a tax on financial transactions	+\$20 B

	Do not charge	Charge a tax	Ref./Dk
<b>National</b>	36.5%	62.2%	1.30%
<b>  </b> GOP	41.6%	57.1%	1.30%
<b>  </b> Dem.	30.7%	68.1%	1.20%
<b>  </b> Indep.	39.7%	58.8%	1.60%

[Q35.] Another possibility is to impose a tax on the amount of carbon dioxide that results from burning fossil fuels, primarily coal, oil, and gas. The carbon dioxide from these fuels contributes to air pollution and also, according to the National Academy of Sciences, contributes to climate change. Research shows that such a tax would lead people and businesses to reduce their use of fossil fuels.

One of the controversial issues about a ‘carbon tax’ is that it would have a bigger negative effect on low to middle income households because they spend a larger portion of their income on gasoline and electricity. Thus, there is a proposal to return all or part of the revenues from the carbon tax to all Americans. If all of the revenue were returned, people with low to middle incomes would actually get back a bit more than their increases in energy costs. Whatever is not returned could be used to reduce the deficit.

Here is a proposal being considered these days. Carbon emissions would be taxed at \$40 per ton. This would likely result in about a 20% reduction in carbon emissions. It is estimated that this would increase the cost of gasoline by 36 cents a gallon and electricity would go up--as much as an average of 5 to 10 percent. If all the revenue from the tax were returned, over the course of a year a family of four, for example, would receive about \$2,000. If half of the revenue were returned, a household of four would get back \$1,000 and the tax would produce about \$100 billion in revenue.

So here are some different possibilities we would like you to choose from:

	<u>Effect on Revenue</u>
1 Do not have a carbon tax	\$0 B
Have a carbon tax that will increase energy costs and lower carbon dioxide emissions:	

- 2 --with all revenues returned to the public (e.g. a family of four would get about \$2,000 over the course of the year). \$0 B
- 3 --with three quarters of revenues returned to the public (e.g. a family of four would get about \$1,500 over the course of the year), generating \$50 billion in revenue. \$50 B
- 4 --with half of revenues returned to the public (e.g. a family of four would get about \$1,000 over the course of the year) generating \$100 billion in revenue. \$100 B

	Do not have a carbon tax	Revenues returned	Three quarters returned	Half returned	Ref./Dk
National	37.1%	17.0%	24.0%	21.0%	0.90%
GOP	58.0%	13.7%	14.5%	12.7%	1.10%
Dem.	19.0%	21.0%	31.7%	27.5%	0.80%
Indep.	37.2%	14.4%	25.0%	22.8%	0.70%

[Q36.] Currently alcoholic drinks carry a federal tax of 8 cents per ounce of alcohol in wine, 10 cents per ounce in beer, and 21 cents per ounce in spirits, such as whisky or vodka. Here are some options for raising this tax, with the extra revenue they would raise. It has been proposed to raise the tax on alcoholic drinks to 25 or 50 cents per ounce of alcohol. For a 12 oz. bottle of beer with about 5% alcohol, a 25 cents an ounce tax would add about two cents to the cost, while 50 cents per ounce of would add about 4 cents. What is your position?

	<u>Effect on Revenue</u>
1 Do not raise taxes on alcohol	\$0 B
2 Increase tax on all alcoholic drinks to 25 cents per ounce of alcohol	+\$7.0 B
3 Increase tax all alcoholic drinks to 50 cents per ounce of alcohol	+\$14.0 B

	Do not raise	Increase to 25 cents per ounce	Increase tax to 50 cents per ounce	Refused/Don't know
National	35.2%	41.2%	22.7%	1.0%
GOP	43.1%	37.1%	19.1%	0.7%
Dem.	27.1%	45.4%	25.7%	1.7%
Indep.	38.1%	39.3%	22.6%	0.0%

[Q37.] Another idea is to tax sugary drinks, such as some soft drinks. This would also have the benefit of discouraging excessive consumption of such drinks, which have been linked to obesity. Here are some options, with the extra revenue they would raise. What is your position?

	<u>Effect on Revenue</u>
1 Do not tax sugary drinks	-0-

**OR**

Tax sugary drinks at:		
2	½ cent per ounce (6 cents for a typical 12 oz. can)	+\$9 B
3	1 cent per ounce (12 cents for a typical 12 oz. can)	+\$18 B
4	2 cents per ounce (24 cents for a typical 12 oz. can)	+\$36 B

	<b>Do not tax</b>	<b>1/2 cent per counts</b>	<b>1 cent per ounce</b>	<b>2 cents per ounce</b>	<b>Ref./Dk</b>
<b>National</b>	43.4%	26.4%	12.3%	17.6%	0.3%
<b>GOP</b>	54.2%	22.3%	8.7%	14.7%	0.0%
<b>Dem.</b>	33.0%	30.6%	15.3%	20.7%	0.5%
<b>Indep.</b>	45.6%	24.9%	12.4%	16.4%	0.6%