



Tax Reform Poll

Findings and Recommendations from
Online Poll in Senate Battleground
States

November 2017

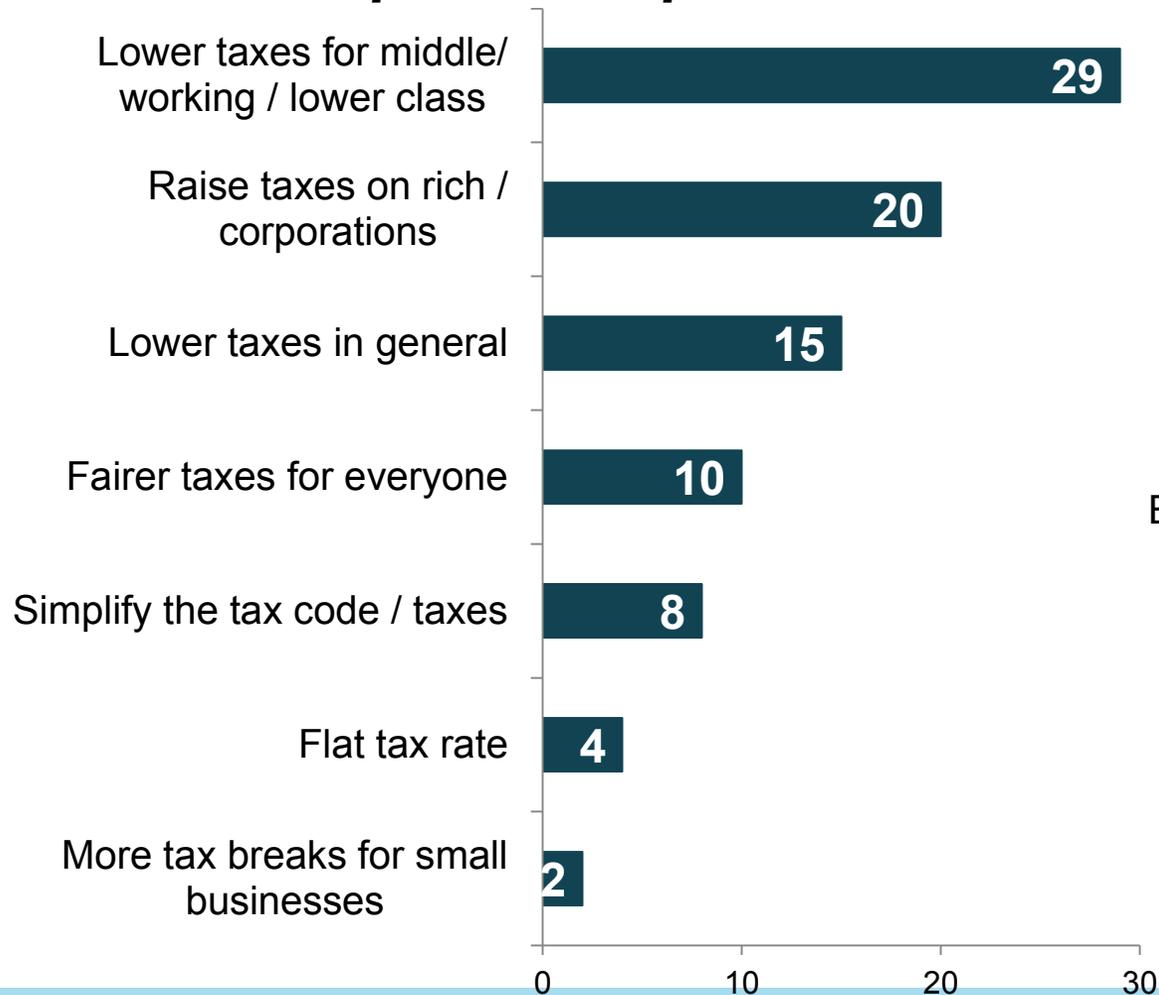
Methodology

- An online survey of n=802 likely 2018 voters was conducted in states with competitive 2018 Senate races (AZ, FL, IN, ME, MO, MT, NV, ND, OH, WV, and WI) from November 2 - 5, 2017.
- Because the survey was conducted online, all respondents have internet access and took the survey through either a computer, tablet, or smartphone.

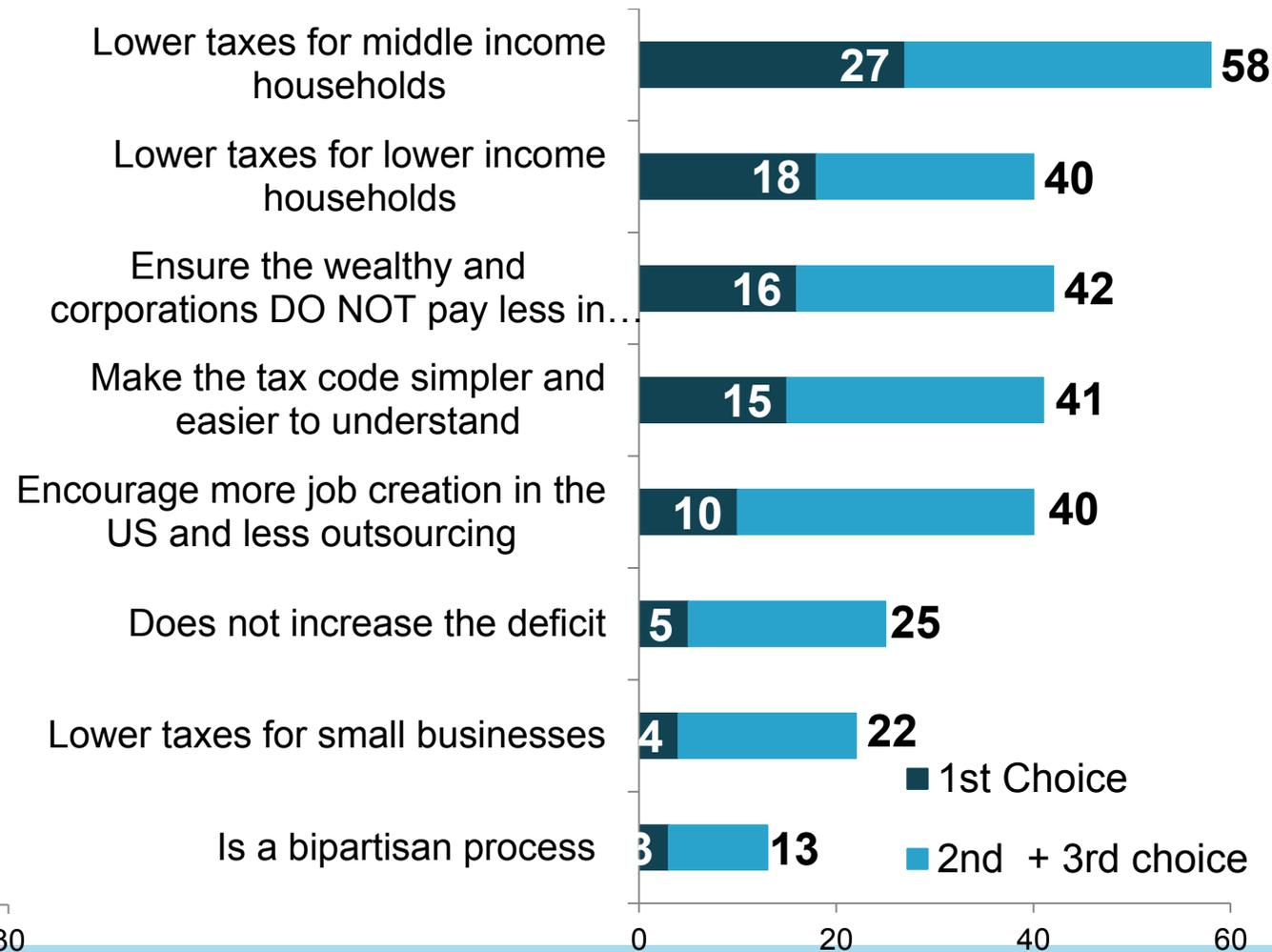
PRIORITIES FOR TAX REFORM

Lower taxes for the middle class is what voters most want to see from tax reform. Ensuring that the wealthy and corporations pay their fair share also emerged as a top priority in both open and close-ended questions on the top priorities for tax reform.

What would you most like to see tax reform accomplish?
[OPEN-ENDED]



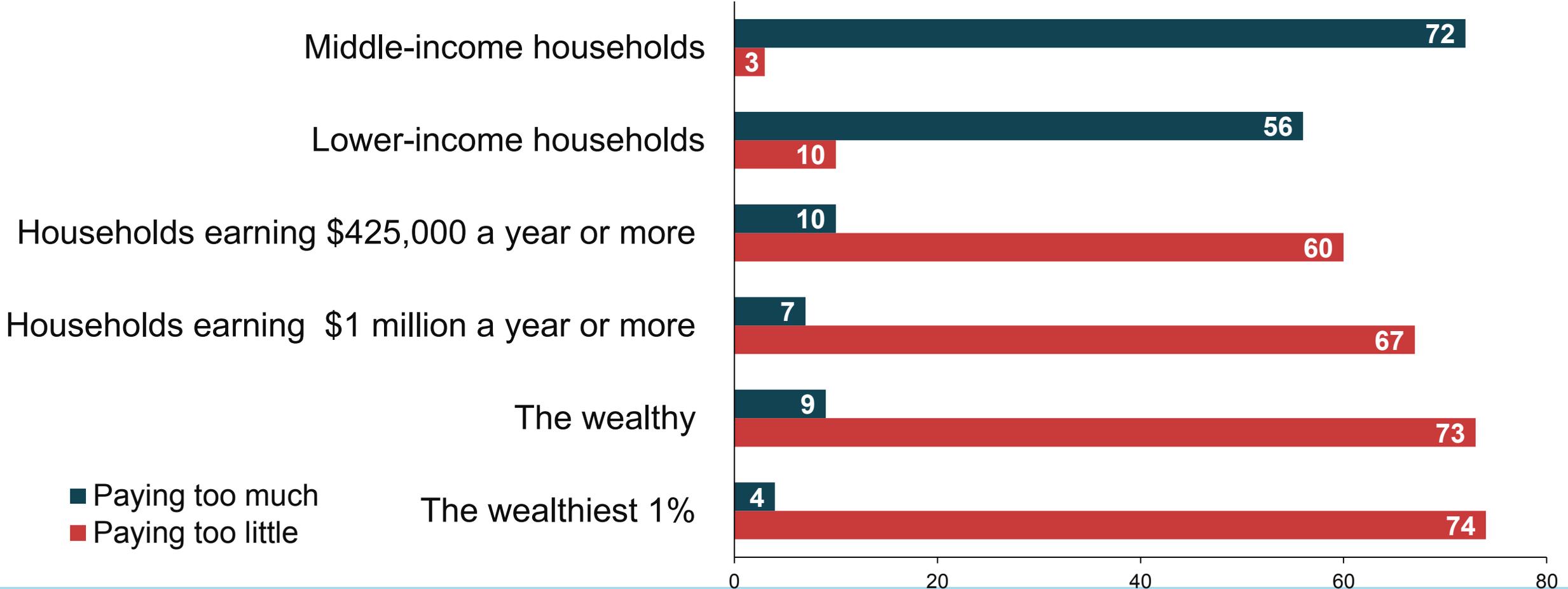
Which one of the following do you think should be the top priority for reforming the nation's tax code?



Nearly three-quarters believe the middle class pays too much in taxes, 16 points above the share that thinks the lower class pay too much. Voters overwhelmingly believe the wealthy (or wealthiest 1%) pay too little, even more so than those earning \$1 million a year.

TAX BURDEN: INDIVIDUALS

“For each, please indicate whether you think they are paying too much in taxes, paying too little in taxes or paying their fair share in taxes.”

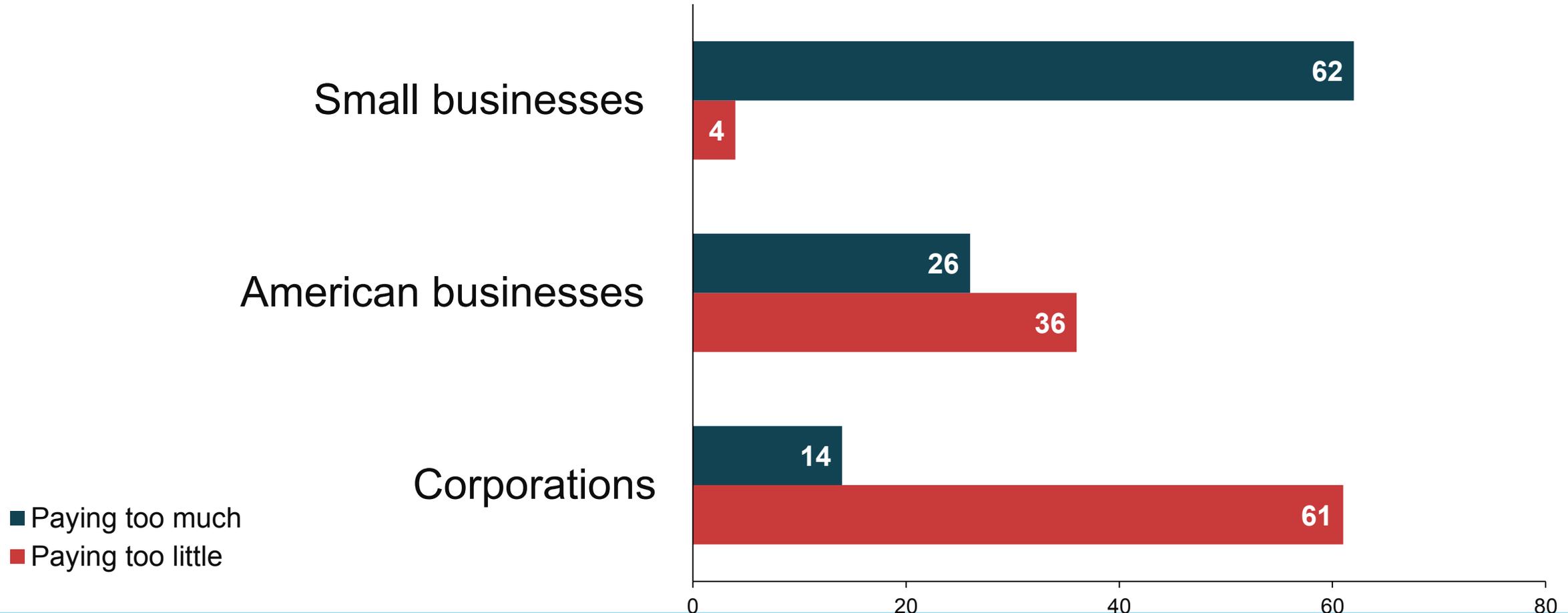


■ Paying too much
■ Paying too little

More than three-out-of-five voters believe small businesses pay too much in taxes, and an equal share believe corporations pay too little.

TAX BURDEN: BUSINESSES

“For each, please indicate whether you think they are paying too much in taxes, paying too little in taxes or paying their fair share in taxes.”



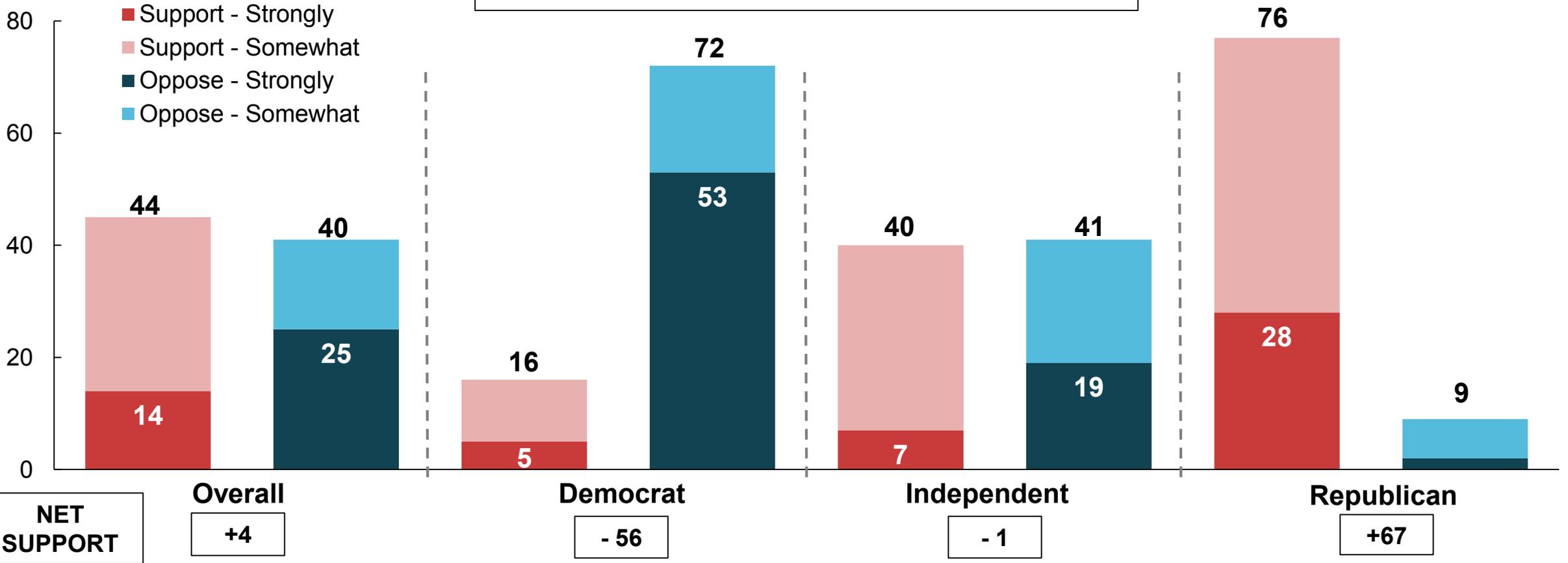
■ Paying too much
■ Paying too little

SUPPORT FOR GOP TAX PLAN AND PROPOSALS

Voters overall, and Independents, are split on the GOP tax plan. Their views on it are also very malleable, with only 39% currently holding a firm position. A majority of Democrats strongly oppose it, while only a quarter of Republicans strongly support it.

Based on what you have heard about the tax reform plan proposed by President Trump and Republicans in Congress, do you support or oppose it?

INITIAL SUPPORT FOR TAX PLAN

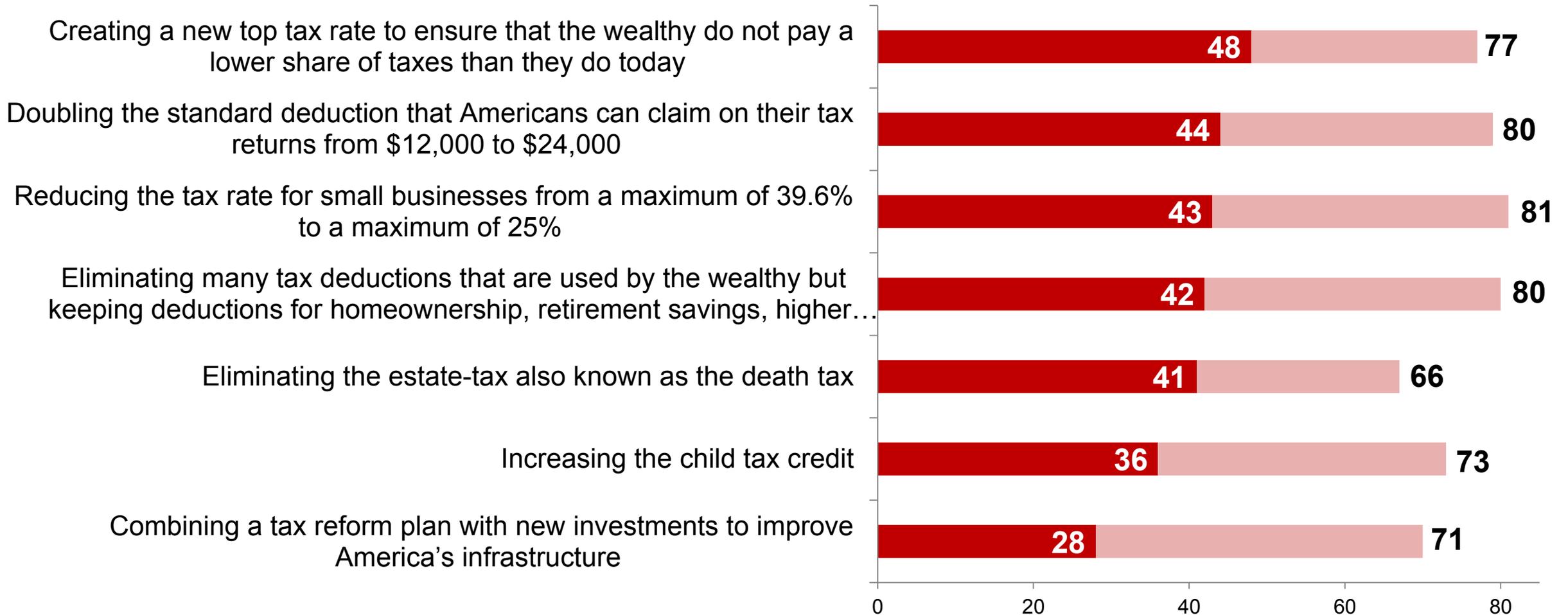


Creating a top tax rate for the wealthy, doubling the standard deduction, reducing the tax rate for small businesses and eliminating deductions for the wealthy were the most popular proposals tested, with over three-quarters of voters supporting each.

MOST POPULAR TAX PLAN PROPOSALS

■ Support - Strongly

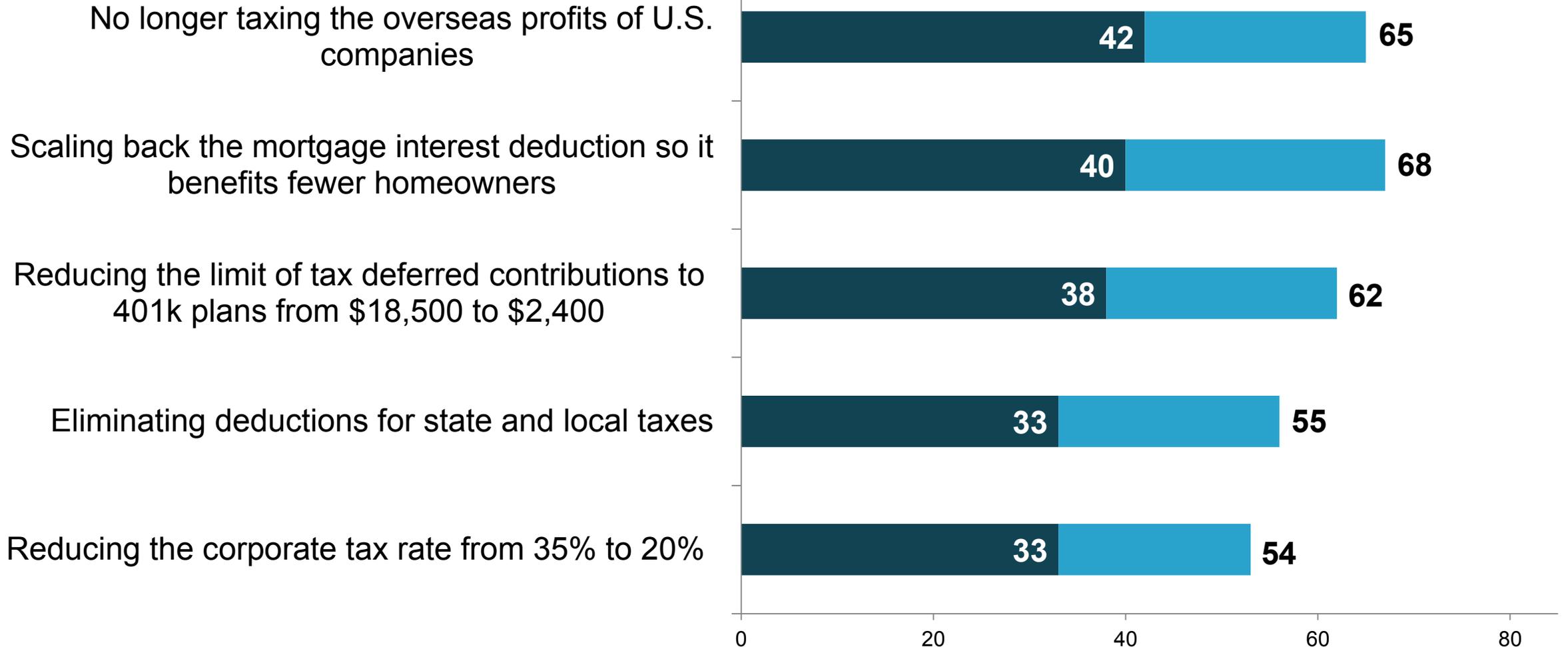
■ Support - Somewhat



The proposals that drew the strongest opposition were no longer taxing the overseas profits of US companies, scaling back the mortgage interest deduction and limiting 401K tax benefits, with over 60% opposing each.

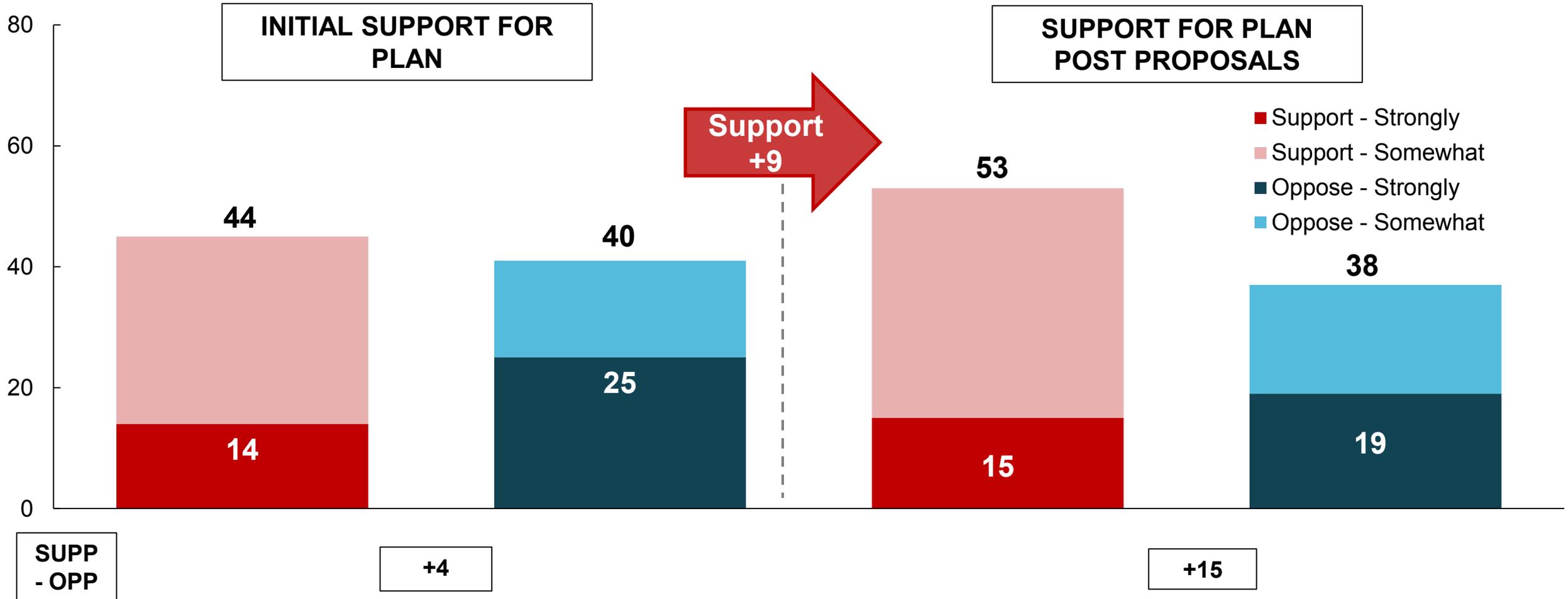
MOST UNPOPULAR TAX PLAN PROPOSALS

■ Oppose - Strongly ■ Oppose - Somewhat



After voters heard the proposals being considered for the plan, overall support increased by 9 points, but support remained soft (just 15% strongly support). Increases in support were biggest among white millennials (+17) and Independent women (+14)

IMPACT OF PROPOSALS ON SUPPORT FOR PLAN



Opposition to the GOP tax plan rises by 23 points when voters hear the plan will increase the deficit, with strong opposition over four times strong support.

The rise in opposition was driven almost entirely by Independents and Republicans.

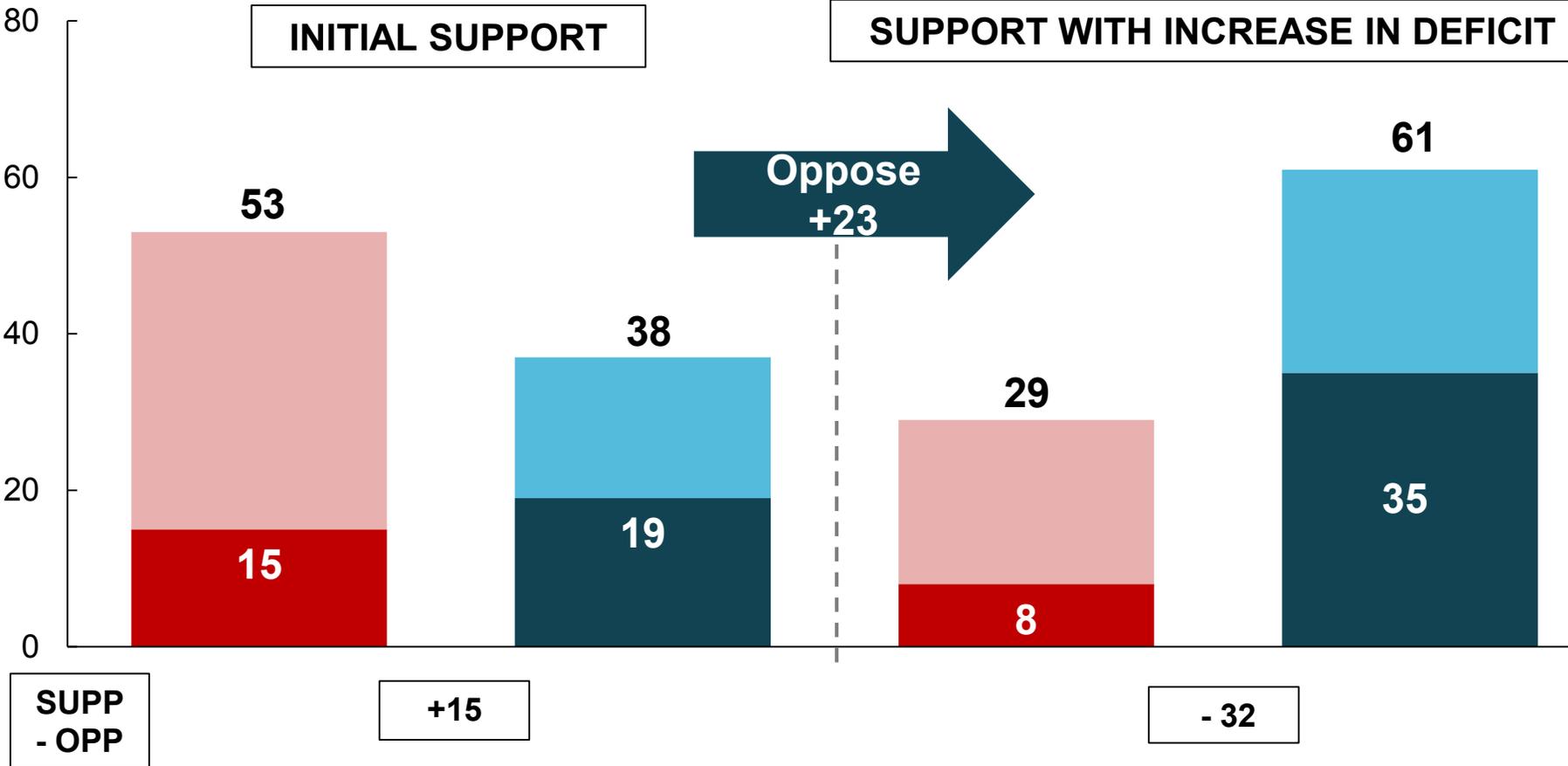
IMPACT OF DEFICIT INCREASE ON SUPPORT

If this tax reform plan proposed by President Trump and Republicans in Congress increased the deficit, would you support or oppose the plan?

■ Support - Strongly ■ Support - Somewhat ■ Oppose - Strongly ■ Oppose - Somewhat

INITIAL SUPPORT

SUPPORT WITH INCREASE IN DEFICIT



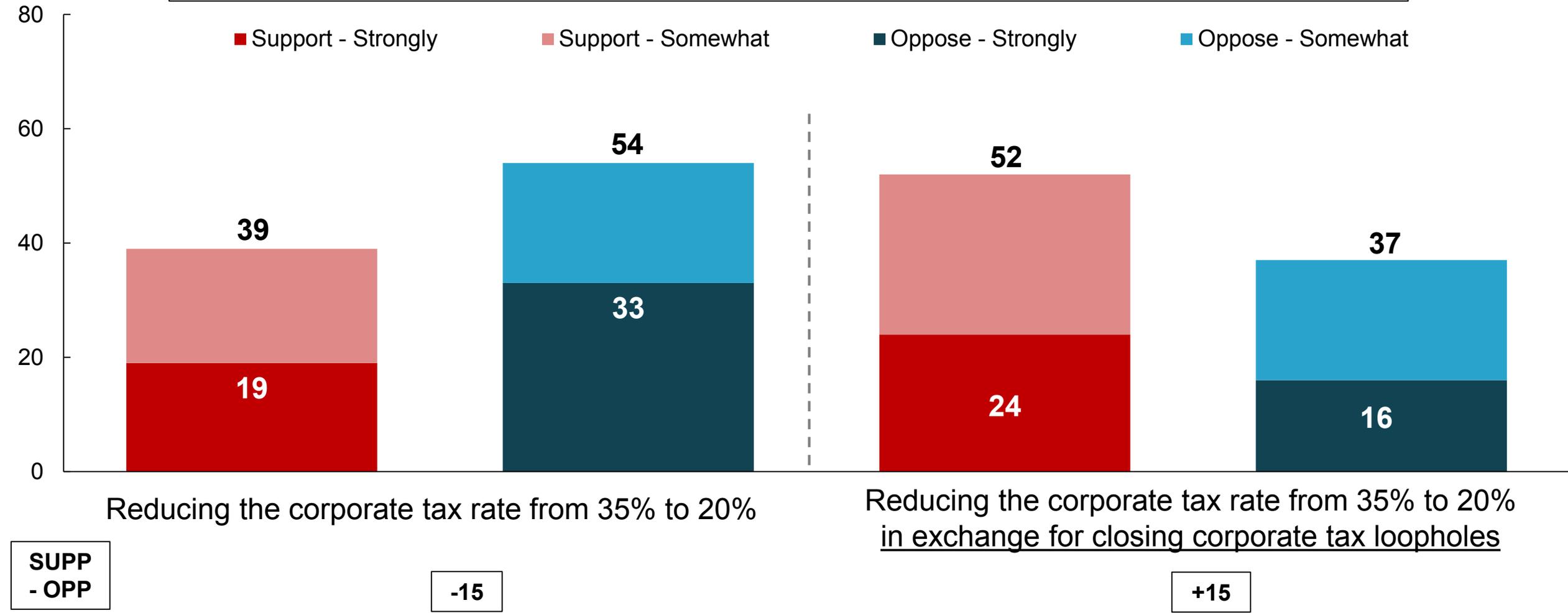
Increase in Opposition by Key Subgroups

OVERALL	+23
Non-College Independents	+36
Independent Women	+35
Independents 55+	+33
Republicans	+30
Independents	+29
Democrats	+7

SUPPORT FOR CUTTING CORPORATE TAX RATE

Voters support a reduction in the corporate tax rate as long as corporate loopholes are closed in exchange. Without closing loopholes, voters oppose a corporate rate tax cut by 15 points, but support it by 15 points when loopholes are closed. Among Independents closing the loopholes is especially impactful, shifting them from -31 to +28.

SUPPORT FOR CUTTING CORPORATE TAX RATE: WITH AND WITHOUT CLOSING LOOPHOLES

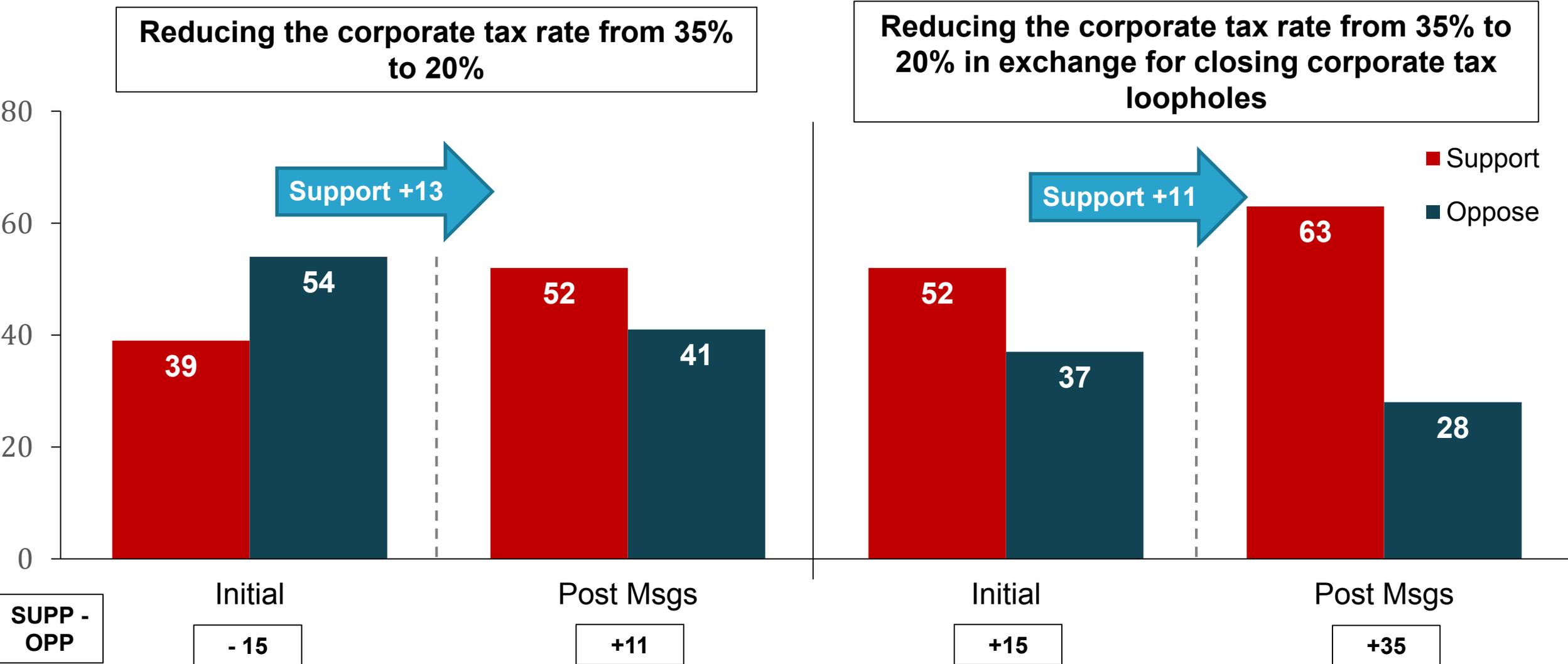


Of six messages tested in favor of reducing the corporate tax rate, the most effective focused on helping small businesses and removing incentives for outsourcing. A message on the benefits for small businesses was especially effective with Independents.

For each statement, please indicate whether you find that to be a very convincing reason, a somewhat convincing reason, only a little convincing, or not convincing at all as a reason to reduce the corporate tax rate.

Messages in Support of Cutting Corporate Tax Rate: Top Tier <i>%Very Convincing</i>	Overall	Independents
<p>[HELP SMALL BUSINESSES] Small businesses drive our economy and our communities, and they deserve a significant tax cut. By reducing the corporate tax rate, we can allow small businesses to keep more of the money they make, which they can use to hire more workers and invest in innovation, leading to a stronger economy and more jobs here at home.</p>	<p>35</p>	<p>38</p>
<p>[REDUCE OUTSOURCING] America's tax code is extremely uncompetitive with the rest of the world, forcing more and more American businesses and good-paying jobs to go overseas to countries with more modern and competitive tax systems. We need to lower America's corporate tax rate to reduce outsourcing and keep jobs here at home.</p>	<p>30</p>	<p>25</p>

Following one-sided messaging in favor of a corporate tax cut, support rises by double digits for such a cut with or without closing loopholes in exchange.



MESSAGING ON TAX REFORM BROADLY

The top messages on tax reform focus on prioritizing the middle class, ensuring the wealthiest 1% pay their fair share, and not increasing the deficit. Of the ten messages tested, the four that tested best all reference at least two of those priorities.

A message on the deficit was less effective with partisans, but a top tier message with Independents

MESSAGES ON MOST IMPORTANT PRIORITY FOR TAX REFORM: TOP TIER <i>%Top Choice / Top 3 Choice</i>	Overall	Indep.
[LOOPHOLES] The current tax code is riddled with loopholes that primarily benefit the wealthy and big corporations. We need to close these loopholes and use the money to provide tax relief to the middle class and reduce the deficit.	11 / 46	13 / 48
[MIDDLE CLASS] Tax reform must prioritize the needs of middle-class families by ensuring that most of the plan's tax relief goes to the middle class rather than the wealthy.	21 / 45	18 / 39
[FAIRER TAX CODE] Our current tax code is tilted in favor of the wealthy. We need to create a fairer tax code that requires the wealthiest 1% to pay their fair share and reduces taxes for lower and middle class Americans.	13 / 44	13 / 46
[DON'T INCREASE DEFICIT] With a national debt that has surpassed \$20 trillion, the American people can't afford tax reform that adds to the deficit. We need a tax reform plan that provides relief to working families without increasing the deficit.	17 / 34	24 / 40

The combinations of tax reform messages that reached the broadest share of Independents all included the message on the deficit, along with helping the middle class rather than the wealthiest 1%.

BEST TAX REFORM MESSAGE COMBINATIONS <i>%Top Choice / Top 3 Choice</i>	Overall	Indep.
<u>TOP TWO MESSAGE COMBINATIONS</u>		
[DEFICIT] + [MIDDLE CLASS]	38 / 70	40 / 64
[DEFICIT] + [FAIRER TAX CODE]	30 / 66	37 / 72
[DEFICIT] + [LOOPHOLES]	28 / 68	36 / 68
<u>TOP THREE MESSAGE COMBINATIONS</u>		
[DEFICIT] + [MIDDLE CLASS] + [LOOPHOLES]	49 / 86	53 / 82

Suggested Core Message on Priorities for Tax Reform

Our current tax system is tilted in favor of the wealthiest 1% at the expense of the middle class. Tax reform should prioritize tax relief for the middle class, and close tax loopholes for the wealthiest 1% so we can cut taxes for working families without increasing the deficit.

Key Takeaways

- These voters are split on the GOP tax plan and their views on it are very malleable.
- Their top priorities for a tax reform plan is that it helps the middle class and ensures that the wealthiest 1% not pay less than they do now.
- They support a reduction in the corporate tax rate as long as corporate loopholes are closed in exchange.
- They are deeply resistant to a plan that increases the deficit, with opposition to the plan rising by over 20 points when voters hear it would increase the deficit.
- The most compelling messages on tax reform focus on prioritizing the middle class, ensuring the wealthiest 1% pay their fair share, and not increasing the deficit. Voters would prefer a bipartisan approach but messaging should focus on the substance of the plan rather than the process.
- The most effective messages for increasing support for reducing the corporate tax rate focus on helping small businesses and removing incentives for outsourcing.