

## Federal Budget Survey

*Conducted by the Program for Public Consultation, School of Public Policy, University of Maryland*

### Questionnaire

**National Sample** = 1,271

**Field Dates:** September 17 – October 28, 2015

**Margin of Error** = 2.7%

#### BRIEFING

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

In this survey, we'd like your opinions about some current issues. There is no right or wrong answer, so please answer the questions based on your knowledge or impressions.

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. These are not adjusted each year but are set by law.

For the Discretionary Budget you will see the amounts currently proposed for the major categories of spending for the year 2016. 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—unlike the payroll taxes dedicated to Social Security or Medicare, 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**.

The total deficit is projected to be \$535 billion in 2016. However, some of this deficit is related to Social Security and Medicare, which have their own dedicated taxes and will be addressed in future policymaking simulations. For today, you will be focusing on the deficit that is related to the rest of the budget—which is a total of \$394 billion.

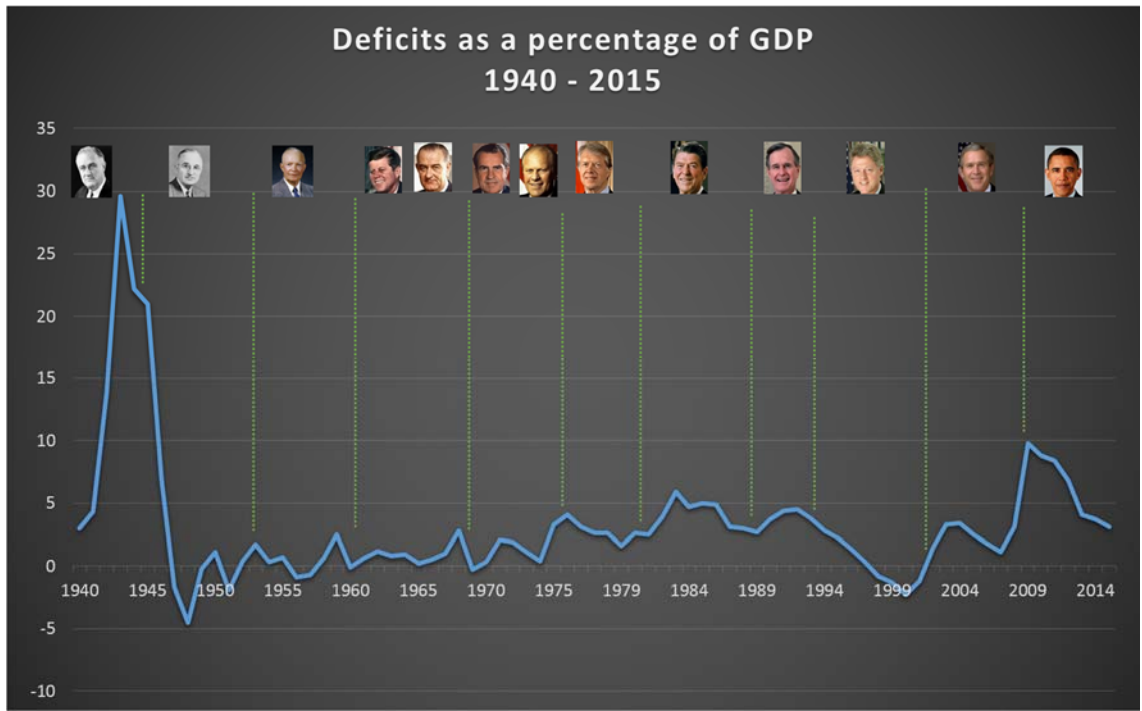
But before we begin, we would like to have you consider three of the major issues that come up in discussions about the federal budget.

#### FEDERAL BUDGET DEFICIT

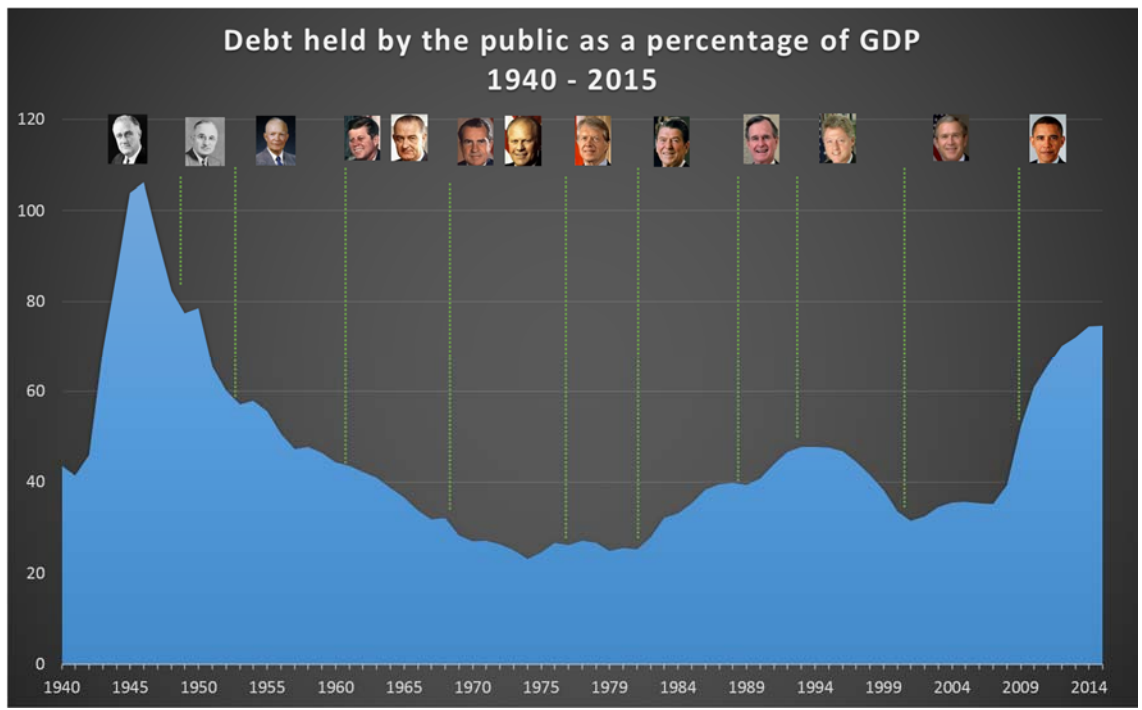
The first issue is about how important it is to address the budget deficit—the amount the government spends that is over and above what it takes in in revenues. But first here is some background.

As you can see in the chart below, the deficit has gone up and down over the years. Over the last few years during the 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.



So now, turning to the debate about how high a priority it should be to reduce this deficit, here are some arguments on this issue. For each one, please select whether you find it convincing or unconvincing:

[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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	39%	42%	<b>81%</b>	14%	5%	<b>19%</b>	<1%
<b>GOP</b>	58%	36%	<b>94%</b>	5%	1%	<b>6%</b>	<1%
<b>Dem.</b>	23%	49%	<b>72%</b>	21%	7%	<b>28%</b>	<1%
<b>Indep.</b>	37%	39%	<b>76%</b>	17%	8%	<b>25%</b>	0%

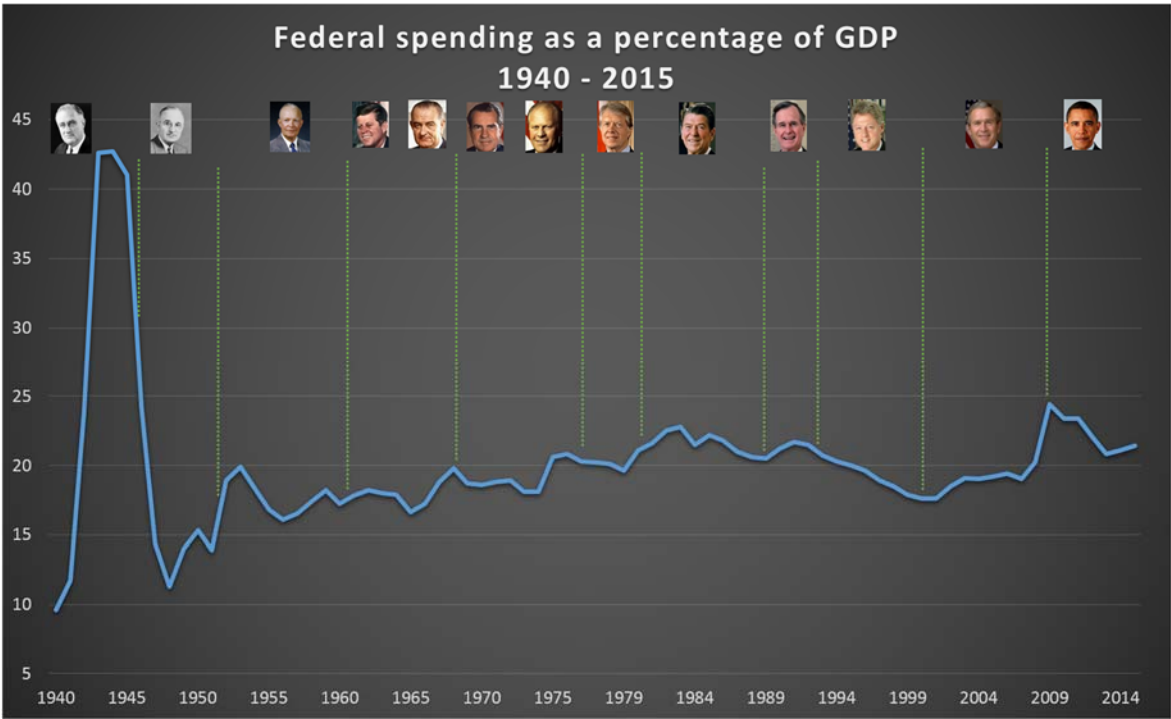
[Q2.] It is important to reduce the deficit but the deficit, has already come down by more than half since 2009, and the reason is that more people are working and paying taxes. The most important thing right now is making sure that the economic recovery continues and that unemployment continues to go 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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	40%	34%	<b>74%</b>	16%	9%	<b>25%</b>	<1%
<b>GOP</b>	26%	34%	<b>60%</b>	25%	16%	<b>41%</b>	<1%
<b>Dem.</b>	59%	33%	<b>92%</b>	7%	2%	<b>9%</b>	<1%
<b>Indep.</b>	29%	40%	<b>69%</b>	20%	12%	<b>32%</b>	0%

## SIZE OF GOVERNMENT

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

Based on the proposed 2016 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.



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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	45%	25%	<b>70%</b>	17%	12%	<b>29%</b>	<1%
GOP	71%	20%	<b>91%</b>	7%	2%	<b>9%</b>	1%
Dem.	22%	27%	<b>49%</b>	29%	22%	<b>51%</b>	<1%
Indep.	45%	33%	<b>78%</b>	14%	9%	<b>23%</b>	0%

[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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	29%	35%	<b>64%</b>	20%	15%	<b>35%</b>	<1%
GOP	11%	33%	<b>44%</b>	30%	26%	<b>56%</b>	<1%
Dem.	51%	35%	<b>86%</b>	11%	3%	<b>14%</b>	0%
Indep.	20%	42%	<b>62%</b>	20%	19%	<b>39%</b>	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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	36%	34%	<b>70%</b>	22%	8%	<b>30%</b>	<1%
<b>GOP</b>	17%	32%	<b>49%</b>	37%	13%	<b>50%</b>	<1%
<b>Dem.</b>	58%	33%	<b>91%</b>	7%	1%	<b>9%</b>	0%
<b>Indep.</b>	28%	40%	<b>68%</b>	22%	10%	<b>32%</b>	<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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	37%	31%	<b>68%</b>	22%	11%	<b>33%</b>	<1%
<b>GOP</b>	57%	31%	<b>88%</b>	10%	2%	<b>12%</b>	0%
<b>Dem.</b>	17%	30%	<b>47%</b>	33%	20%	<b>53%</b>	<1%
<b>Indep.</b>	37%	33%	<b>70%</b>	21%	8%	<b>29%</b>	<1%

## 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 proposed main budget for the year 2016 for 31 major areas of the Discretionary Budget.

For each area of government spending, please enter your preferred amounts for the year 2016, adjusting it up or down or leaving it the same.

At the bottom you will see the estimated deficits for 2016, and also your own deficit or surplus which will change as you enter amounts. (A negative number is a deficit; a positive number is a surplus.) 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.

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.

**Federal Budget 2016** (Medians presented in Billions)

**Q7. Transportation**

[Q7a.] Highways: building and maintaining interstate highways; implementing safety standards (\$53B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	53B	42%	21%	36%	1%
GOP	52B	52%	22%	26%	1%
Dem.	53B	31%	20%	47%	2%
Indep.	53B	48%	21%	31%	1%

[Q7b.] Air travel and railroads: maintaining and administering airports and railways; air traffic control; implementing safety standards (\$25B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	25B	33%	48%	17%	1%
GOP	25B	41%	48%	11%	1%
Dem.	25B	24%	47%	26%	2%
Indep.	25B	36%	50%	12%	1%

[Q7c.] Mass transit: maintaining Amtrak, developing and maintaining intercity high-speed rail, implementing safety standards (\$20B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	20B	38%	35%	26%	1%
GOP	18B	55%	34%	11%	1%
Dem.	20B	22%	33%	43%	2%
Indep.	20B	40%	40%	19%	1%

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

[Q8a.] Enforcement of federal laws (FBI, ATF); federal court system for crimes under federal law, primarily drug trafficking, plus fraud, and certain violent crimes (\$24B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	23B	53%	25%	21%	1%
<b>GOP</b>	23.7B	50%	25%	25%	1%
<b>Dem.</b>	22B	53%	25%	20%	2%
<b>Indep.</b>	22B	57%	24%	18%	1%

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

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	7B	44%	33%	22%	1%
<b>GOP</b>	7B	42%	36%	22%	1%
<b>Dem.</b>	7B	44%	31%	23%	2%
<b>Indep.</b>	7B	46%	30%	23%	1%

**[Q9.] Space Program (NASA):** Space probes; the space shuttle, international space station; study of Earth from space (\$18B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	16B	55%	19%	25%	1%
<b>GOP</b>	15B	63%	16%	21%	1%
<b>Dem.</b>	18B	49%	21%	28%	2%
<b>Indep.</b>	16B	55%	20%	24%	1%

**[Q10.] Science:** Support for basic and applied research in biology, computers, engineering, earth sciences, economics, energy, etc. (\$13B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	13B	49%	20%	30%	1%
<b>GOP</b>	10B	71%	13%	15%	1%
<b>Dem.</b>	13B	26%	24%	48%	2%
<b>Indep.</b>	12B	52%	23%	24%	1%

**[Q11.] Medical research:** Research on: various physical and mental diseases, child health, aging, mapping of human DNA (\$33B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	32B	52%	18%	29%	1%
<b>GOP</b>	30B	69%	14%	16%	1%
<b>Dem.</b>	33B	33%	20%	45%	2%
<b>Indep.</b>	30B	56%	20%	23%	1%

**[Q12.] International Aid Programs**

[Q12a.] Humanitarian assistance: Food aid to malnourished people, assistance in the event of disasters, aid to refugees from political conflict (\$6B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	6B	48%	27%	23%	1%
<b>  </b> GOP	5B	66%	22%	11%	1%
<b>  </b> Dem.	6B	32%	30%	36%	2%
<b>  </b> Indep.	6B	47%	31%	21%	1%

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

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	10B	64%	17%	18%	1%
<b>  </b> GOP	7B	83%	8%	8%	1%
<b>  </b> Dem.	11B	42%	25%	31%	2%
<b>  </b> Indep.	10B	72%	17%	10%	1%

[Q12c.] Global Health: Medical aid to people in poor countries, AIDS prevention, child survival, international efforts to prevent pandemics. (\$8B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	7B	54%	24%	21%	1%
<b>  </b> GOP	5B	69%	18%	12%	1%
<b>  </b> Dem.	8B	37%	29%	33%	2%
<b>  </b> Indep.	6B	61%	25%	14%	1%

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

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	5B	73%	18%	7%	1%
<b>  </b> GOP	4B	83%	12%	4%	1%
<b>  </b> Dem.	5B	61%	26%	11%	2%
<b>  </b> Indep.	4B	78%	13%	8%	1%

[Q12e.] Military Aid: For countries of strategic interest to the U.S, primarily military equipment and weapons, approximately one-third to Israel. (\$7B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	5B	62%	24%	12%	1%
<b>  </b> GOP	6B	58%	27%	15%	1%
<b>  </b> Dem.	5B	64%	24%	10%	2%
<b>  </b> Indep.	5B	67%	20%	12%	1%



**[Q13.] State Department:** To manage US diplomatic and economic relations with other countries, deal with international conflicts, maintain embassies. (\$11B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	10B	63%	25%	11%	1%
GOP	10B	73%	20%	7%	1%
Dem.	10B	51%	32%	15%	2%
Indep.	10B	67%	22%	10%	1%

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

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	4B	47%	34%	18%	1%
GOP	2B	64%	26%	9%	1%
Dem.	4B	28%	40%	30%	2%
Indep.	3B	53%	35%	12%	1%

**[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 (\$17B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	15B	55%	21%	23%	1%
GOP	15B	75%	13%	11%	1%
Dem.	17B	35%	28%	35%	2%
Indep.	15B	56%	22%	20%	1%

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

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	9B	36%	23%	39%	1%
GOP	8B	60%	21%	18%	1%
Dem.	10B	16%	25%	57%	2%
Indep.	9B	33%	25%	42%	1%

**[Q16.] Housing Programs:** for the elderly and people with low incomes (\$46B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	45B	49%	18%	31%	1%
GOP	40B	72%	14%	14%	1%
Dem.	46B	26%	24%	49%	2%
Indep.	45B	55%	17%	27%	1%

**[Q17.] Homeland Security:** Border protection, TSA, immigration, and responding to disasters (\$48B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	48B	49%	21%	29%	1%
GOP	48B	42%	18%	39%	1%
Dem.	45B	54%	23%	21%	2%
Indep.	47B	52%	21%	27%	1%

**[Q18.] Veterans' Benefits:** medical care, home loans, and education for veterans (\$166B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	166B	28%	26%	45%	1%
GOP	166B	32%	25%	43%	1%
Dem.	166B	24%	26%	48%	2%
Indep.	166B	27%	26%	46%	1%

**[Q19.] Job training:** retraining workers, helping them find jobs (\$7B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	7B	37%	22%	40%	1%
GOP	6B	54%	21%	25%	1%
Dem.	8B	18%	25%	55%	2%
Indep.	7B	44%	18%	37%	1%

**[Q20.] Energy Conservation/Renewable Energy:** Research and development of solar, wind, geothermal, etc.; improving energy efficiency; weatherproofing (\$3B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	3B	30%	23%	46%	1%
GOP	2B	52%	23%	25%	1%
Dem.	5B	10%	22%	66%	2%
Indep.	3B	30%	23%	46%	1%

**[Q21.] Education**

**[Q21a.] Elementary and secondary education:** aiding rural and urban school districts in poor areas, national testing, teacher training (\$32B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	32B	45%	19%	35%	1%
GOP	30B	64%	16%	20%	1%
Dem.	33B	26%	22%	50%	2%
Indep.	32B	46%	20%	32%	1%

[Q21b.] Special education for students with disabilities (\$13B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	13B	32%	29%	38%	1%
GOP	13B	45%	28%	26%	1%
Dem.	14B	17%	29%	51%	2%
Indep.	13B	35%	29%	35%	1%

[Q21c.] Higher education, primarily financial aid for college students; includes Pell Grants (\$28B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	28B	43%	17%	39%	1%
GOP	25B	66%	15%	19%	1%
Dem.	30B	18%	19%	60%	2%
Indep.	28B	49%	16%	34%	1%

**[Q22.] Agriculture Subsidies**

[Q22a.] Subsidies to small farmers (farms below 500 acres), provided on a regular annual basis (\$3B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	3B	28%	29%	42%	1%
GOP	3B	35%	28%	37%	1%
Dem.	4B	19%	27%	51%	2%
Indep.	3B	30%	33%	36%	1%

[Q22b.] Subsidies to agricultural corporations with large farms, and manufacturers of farming equipment and fertilizers (\$9B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	5B	73%	14%	11%	1%
GOP	5B	76%	13%	11%	1%
Dem.	6B	68%	17%	12%	2%
Indep.	5B	76%	12%	11%	1%

**[Q23.] Defense**

[Q23a.] Regular operations of military forces: purchasing weapons and equipment, developing new weapon systems, support for personnel, maintaining overseas bases (\$534B)

	Median	Decrease	Keep the Same	Increase	DK/Ref
<b>National</b>	500B	62%	14%	23%	1%
GOP	534B	46%	18%	36%	1%
Dem.	500B	75%	10%	13%	2%
Indep.	500B	68%	15%	17%	1%

[Q23b.] Estimated cost of military operations in Afghanistan and against Islamic State in Iraq, 2016 (\$51B)

	<b>Median</b>	<b>Decrease</b>	<b>Keep the Same</b>	<b>Increase</b>	<b>DK/Ref</b>
<b>National</b>	45B	70%	16%	13%	1%
<b>  </b> GOP	50B	61%	20%	19%	1%
<b>  </b> Dem.	40B	77%	13%	8%	2%
<b>  </b> Indep.	45B	76%	14%	9%	1%

[Q23c.] Intelligence agencies: Gathering and analyzing information collected by spies and satellite systems; includes CIA, NSA, military intelligence (\$53B)

	<b>Median</b>	<b>Decrease</b>	<b>Keep the Same</b>	<b>Increase</b>	<b>DK/Ref</b>
<b>National</b>	50B	59%	21%	19%	1%
<b>  </b> GOP	51B	52%	23%	24%	1%
<b>  </b> Dem.	50B	64%	20%	14%	2%
<b>  </b> Indep.	50B	63%	18%	18%	1%

[Q23d.] Nuclear weapons upgrading, maintenance, and safety by the Energy Department (\$19B)

	<b>Median</b>	<b>Decrease</b>	<b>Keep the Same</b>	<b>Increase</b>	<b>DK/Ref</b>
<b>National</b>	18B	50%	27%	22%	1%
<b>  </b> GOP	19B	43%	27%	30%	1%
<b>  </b> Dem.	18B	54%	27%	17%	2%
<b>  </b> Indep.	18B	53%	28%	19%	1%

## 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.

## REDUCING 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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	33%	35%	<b>68%</b>	20%	11%	<b>31%</b>	1%
<b>GOP</b>	49%	36%	<b>85%</b>	13%	2%	<b>15%</b>	<1%
<b>Dem.</b>	18%	34%	<b>52%</b>	26%	21%	<b>47%</b>	<1%
<b>Indep.</b>	34%	36%	<b>70%</b>	20%	9%	<b>29%</b>	2%

[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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	28%	38%	<b>66%</b>	21%	13%	<b>34%</b>	<1%
<b>GOP</b>	16%	36%	<b>52%</b>	28%	20%	<b>48%</b>	<1%
<b>Dem.</b>	42%	42%	<b>84%</b>	12%	4%	<b>16%</b>	0%
<b>Indep.</b>	22%	35%	<b>57%</b>	25%	17%	<b>42%</b>	2%

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

## PROGRESSIVE INCOME TAXES

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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	52%	22%	<b>74%</b>	14%	11%	<b>25%</b>	1%
<b>GOP</b>	33%	24%	<b>57%</b>	23%	20%	<b>43%</b>	1%
<b>Dem.</b>	73%	18%	<b>91%</b>	6%	2%	<b>8%</b>	1%
<b>Indep.</b>	46%	24%	<b>70%</b>	17%	13%	<b>30%</b>	1%

[Q27.] The people in 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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	23%	26%	<b>49%</b>	24%	27%	<b>51%</b>	<1%
<b>GOP</b>	36%	32%	<b>68%</b>	22%	10%	<b>32%</b>	1%
<b>Dem.</b>	11%	22%	<b>33%</b>	25%	42%	<b>67%</b>	<1%
<b>Indep.</b>	23%	24%	<b>47%</b>	24%	28%	<b>52%</b>	<1%

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.

## USING TAXES TO DISCOURAGE CERTAIN THINGS

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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	34%	32%	<b>66%</b>	18%	16%	<b>34%</b>	1%
<b>GOP</b>	25%	27%	<b>52%</b>	24%	23%	<b>47%</b>	1%
<b>Dem.</b>	45%	38%	<b>83%</b>	10%	7%	<b>17%</b>	<1%
<b>Indep.</b>	30%	29%	<b>59%</b>	21%	20%	<b>41%</b>	1%

[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	Total convincing	Somewhat unconvincing	Very unconvincing	Total unconvincing	Refused / Don't know
<b>National</b>	35%	28%	<b>63%</b>	23%	13%	<b>36%</b>	<1%
<b>GOP</b>	48%	27%	<b>75%</b>	16%	8%	<b>24%</b>	1%
<b>Dem.</b>	22%	27%	<b>49%</b>	29%	22%	<b>51%</b>	0%
<b>Indep.</b>	37%	33%	<b>70%</b>	24%	6%	<b>30%</b>	0%

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.

As you may know, before 2013 there was much discussion about whether the temporary income tax cuts that were put in place in 2001 and 2003 should be made permanent. In 2013 Congress voted to make these income tax cuts

permanent on all income below \$400,000 (or \$450,000 for a married couple filing jointly). The tax rate on income above \$400,000 was increased.

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 2016 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	Decrease effective tax rate by (%)				No change	Increase effective tax rate by (%)			
		-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	Decrease effective tax rate by (%)				No change	Increase effective tax rate by (%)			
		-20%	-15%	-10%	-5%		+5%	+10%	+15%	+20%
<b>\$100,000 - \$200,000</b>	12.7%	10.2%	10.8%	14.4%	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.</b>	6.7%	5.4%	5.7%	6.0%	6.4%	6.7%	7.0%	7.4%	7.7%	8.0%
<b>\$30,000 - \$40,000</b>										
<b>Effect on Revenue</b>		-\$4.8B	-\$3.6B	-\$2.4B	-\$1.2B	\$0B	+\$1.2B	+\$2.4B	+\$3.6B	+\$4.6B

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	15%	5%	9%	18%	42%	7%	1%	<1%	2%	No Change
<b>  GOP</b>	13%	3%	9%	18%	41%	9%	2%	<1%	3%	No Change
<b>  Dems</b>	15%	7%	9%	18%	43%	4%	1%	1%	<1%	5% Decrease
<b>  Indep.</b>	18%	3%	9%	16%	41%	7%	1%	0%	3%	No Change

<b>Q30b.</b>	7.4%	5.9%	6.3%	6.7%	7.0%	7.4%	7.8%	8.1%	8.5%	8.9%
<b>\$40,000 - \$50,000</b>										
<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 %	Median Position
<b>National</b>	9%	6%	10%	20%	42%	8%	2%	1%	1%	No Change
<b>  GOP</b>	8%	6%	6%	25%	39%	10%	3%	1%	2%	No Change
<b>  Dems</b>	8%	6%	13%	18%	44%	7%	<1%	1%	1%	No Change
<b>  Indep.</b>	13%	6%	9%	14%	44%	7%	2%	1%	1%	No Change



<b>Q30c.</b> <b>\$50,000 - \$75,000</b> <b>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

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	9%	3%	9%	18%	43%	12%	2%	1%	2%	No Change
GOP	8%	4%	9%	18%	41%	14%	2%	2%	2%	No Change
Dems	7%	3%	11%	17%	48%	11%	1%	<1%	1%	No Change
Indep.	14%	2%	8%	18%	40%	11%	1%	1%	3%	No Change

<b>Q30d.</b> <b>\$75,000 - \$100,000</b> <b>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	+\$20.5

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	7%	4%	5%	15%	40%	20%	4%	1%	2%	No Change
GOP	7%	5%	6%	15%	39%	18%	4%	2%	2%	No Change
Dems	5%	3%	4%	14%	46%	21%	5%	1%	1%	No Change
Indep.	11%	4%	6%	16%	31%	21%	2%	2%	3%	No Change

<b>Q30e.</b> <b>\$100,000 - \$200,000</b> <b>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

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	7%	2%	4%	7%	31%	32%	9%	3%	3%	No Change
GOP	10%	2%	3%	10%	34%	29%	6%	2%	2%	No Change
Dems	3%	2%	4%	5%	31%	37%	11%	3%	2%	5% Increase
Indep.	9%	4%	4%	8%	27%	30%	9%	3%	5%	No Change

<b>Q30f.</b> <b>\$200,000 - \$500,000</b> <b>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

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	6%	1%	3%	5%	19%	36%	16%	7%	4%	5% Increase
GOP	9%	2%	2%	8%	26%	34%	10%	7%	2%	5% Increase
Dems	3%	1%	2%	3%	13%	39%	23%	8%	5%	5% Increase

Indep.	7%	2%	4%	5%	16%	35%	15%	7%	7%	5% Increase
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<b>Q30g. \$500,000 - \$1 million Effect on Revenue</b>	25.9%	20.7%	22.0%	23.3%	24.5%	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

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	6%	1%	2%	5%	16%	27%	18%	14%	10%	5% Increase
GOP	9%	1%	2%	5%	23%	30%	15%	8%	6%	5% Increase
Dems	3%	2%	2%	3%	9%	27%	21%	19%	13%	10% Increase
Indep.	8%	1%	1%	7%	18%	19%	18%	15%	12%	5% Increase

<b>Q30h. Above \$1 million Effect on Revenue</b>	28.1%	22.5%	23.9%	25.3%	26.7%	28.1%	29.5%	30.0%	32.3%	33.7%
		-\$61.2B	-\$45.9B	-\$30.6B	-	\$0B	+\$15.3B	+\$30.6B	+\$45.9B	+\$61.2B

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	5%	1%	2%	4%	15%	21%	16%	12%	22%	10% Increase
GOP	8%	1%	3%	6%	20%	25%	15%	9%	12%	5% Increase
Dems	2%	1%	2%	4%	9%	18%	18%	17%	28%	10% Increase
Indep.	7%	2%	1%	3%	18%	18%	13%	9%	27%	10% Increase

Here are some other possible changes that would generate more 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 20%. One proposal is to tax this "carried interest" compensation like ordinary income, such as wages. This would raise extra revenue of \$1.8 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	+\$1.8 B

	Keep tax rate	Tax like ordinary income	Don't know
<b>National</b>	23%	75%	1%
GOP	26%	72%	2%
Dems	18%	81%	1%
Indep.	29%	70%	1%

Q32: 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. This screen shows the average *effective tax rate* for corporations. The percentage of their profits that they actually pay is estimated by the General

Accountability Office at 19.2%. You now have an opportunity to raise revenues or cut corporate income taxes by adjusting this rate. What is your position?

	Current Avg. Effective Tax Rate	DECREASE TAX RATE by (%)				No Change	INCREASE TAX RATE by (%)			
		-20%	-15%	-10%	-5%		5%	10%	15%	20%
Change To Tax Rate	19.2%	15.4%	16.3%	17.3%	18.2%	19.2%	20.2%	21.1%	22.1%	23.0%
Effect on Revenue		-\$113B	-\$75B	-\$38B	-\$18B	\$0B	+\$18B	+\$38B	+\$75B	+\$113B

	-20%	-15%	-10%	-5%	No Change	+5%	+10%	+15%	+20%	Median Position
<b>National</b>	5%	4%	6%	12%	22%	30%	11%	3%	7%	5% Increase
GOP	7%	5%	9%	18%	26%	26%	5%	1%	3%	No Change
Dems	3%	3%	4%	5%	20%	34%	15%	4%	12%	5% Increase
Indep.	6%	4%	7%	15%	18%	29%	13%	4%	4%	No Change

[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. The president's budget calls for an increase in 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.

What is your position?

	<u>Effect on Revenue</u>
1 Do not raise the top marginal tax rate on capital gains and dividends	-0-
2 Raise the top marginal tax rate on capital gains and dividends	+\$22 B

	Do not raise top marginal tax rate on capital gains and dividends	Raise the top marginal tax rate on capital gains and dividends	Don't know
<b>National</b>	35%	65%	<1%
GOP	49%	51%	<1%
Dems	20%	80%	<1%
Indep.	38%	62%	0%

[Q32b.] As you may know, currently, when someone dies and wills such things as stock or real estate to an heir, the person who inherits does not pay any **capital gains tax on bequests**, whether their value has grown or not.

In this proposal, there would still be no capital gains tax on bequests for a business owned and operated by the family, or for:

--the first \$100,000 of gains (\$200,000 for a married couple), or

--gains on a personal home that has gone up in value--up to \$250,000 for an individual, \$500,000 for a couple.

Above these levels an heir would have to pay capital gains tax. For the highest-income bracket, the rate for this tax would be 28%.

Here is an example. If the deceased person bought \$100,000 worth of a stock and it is worth \$500,000 when the person dies, the heir would pay capital gains tax on the \$300,000 of the gain. Thus the amount the heir would inherit could be reduced from \$500,000 to \$416,000.

What is your position?

	<u>Effect on Revenue</u>
1 Do not charge a capital gains tax on bequests	-0-
2 Charge a capital gains tax on bequests	+\$2 B

	<b>Do not charge a capital gains tax on bequests</b>	<b>Charge a capital gains tax on bequests</b>	<b>Don't know</b>
<b>National</b>	61%	38%	1%
GOP	75%	25%	1%
Dems	48%	51%	1%
Indep.	63%	36%	1%

[Q33.] The president's budget calls for imposing 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

	<b>Do not charge a fee to large banks and financial institutions</b>	<b>Charge a fee to large banks and financial institutions</b>	<b>Don't know</b>
<b>National</b>	24%	75%	1%
GOP	34%	65%	1%
Dems	12%	88%	<1%
Indep.	30%	69%	<1%

[Q34.] Every day that financial markets are open, roughly \$1 trillion worth of stocks, bonds and derivatives are traded. This proposal would tax each transaction by a hundredth of one percent (0.01%) of the value of the security being traded. 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	+\$7 B

	Do not charge a tax on financial transactions	Charge a tax on financial transactions	Don't know
<b>National</b>	44%	54%	2%
GOP	53%	45%	3%
Dems	34%	66%	1%
Indep.	50%	48%	2%

[Q35.] Another possibility is to impose a tax on the amount of carbon dioxide that is emitted by burning certain fuels. These fuels are primarily coal, oil, or gas, which are currently the largest sources of energy in the economy. The carbon dioxide from these fuels is a gas that is regarded by the National Academy of Sciences as contributing to climate change, and burning such fuels also contributes to other forms of air pollution. What is your position?

	<u>Effect on Revenue</u>
1 Do not have a carbon tax	\$0 B
2 Have a carbon tax that will increase energy costs about 5 dollars per month per person and also lower carbon dioxide emissions by about 10% in its first decade	+\$100 B
3 Have a carbon tax that will increase energy costs about 13 dollars per month per person and also lower carbon dioxide emissions by about 25% in its first decade	+\$245 B

	Do not have a carbon tax	Carbon tax: increase energy costs about \$5/month and lower CO2 by 10%	Carbon tax: increase energy costs about \$13/month and lower CO2 by 25%	Don't know
<b>National</b>	44%	42%	14%	<1%
GOP	62%	32%	5%	<1%
Dems	26%	51%	24%	<1%
Indep.	45%	42%	12%	<1%

[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. What is your position?

	<u>Effect on Revenue</u>
1 Do not raise taxes on alcohol	\$0 B
2 Tax all alcoholic drinks at 25 cents per ounce of alcohol	+\$6.4 B
3 Tax all alcoholic drinks at 50 cents per ounce of alcohol	+\$12.8 B

	Do not raise taxes on alcohol	Tax all alcoholic drinks at 25 cents per ounce of alcohol	Tax all alcoholic drinks at 50 cents per ounce of alcohol	Don't know
<b>National</b>	45%	38%	16%	<1%
GOP	51%	35%	12%	1%
Dems	39%	41%	19%	1%
Indep.	46%	37%	17%	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-
<b>OR</b>	
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

	Do not tax sugary drinks	Tax sugary drinks at 1/2 cent per ounce	Tax sugary drinks at 1 cent per ounce	Tax sugary drinks at 2 cents per ounce	Don't know
<b>National</b>	46%	26%	12%	16%	1%
GOP	51%	25%	10%	13%	1%
Dems	40%	26%	14%	20%	1%
Indep.	47%	26%	11%	14%	1%