



# CREATING A FEDERAL BUDGET FOR FY2017: What the American People Would Do



**A survey of the Citizen Cabinet, Nationally and in  
California, Florida, Maryland, New York, Ohio,  
Oklahoma, Texas and Virginia**

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

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## INTRODUCTION

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On February 9, 2016 President Obama will put forward his proposed budget for FY2017. It will include proposed levels for discretionary spending and possibly some proposed changes to sources of general revenue as it did for FY2016.

In anticipation of this budget Voice Of the People has undertaken a survey of the national Citizen Cabinet nationally, and in eight states, in which voters were given an opportunity to deliberate about and propose their preferred budget, creating an effective dialogue between the American people and the government on what its priorities should be.

The development of such a budget is also highly relevant to the Budget Control Act, passed by Congress in 2011. In that legislation Congress established annual spending caps for gradually reducing the deficit, with specific caps for defense and non-defense spending. The Act also specifies that if Congress fails to agree on spending that falls under these caps and does not specify offsets from revenue sources, automatic across-the-board cuts—called ‘sequestration’—would go into effect to force compliance with the caps. As intended, the prospect of such sequestration cuts have given rise to resistance across the federal government and in the public at large, since such cuts would be completely unselective and show a failure to agree on priorities.

In February 2015, President Obama proposed a FY2016 discretionary budget that exceeded the sequester caps by \$38 billion in national defense and \$37 billion in non-defense areas. His budget, however, did call for a variety of revenue increases to offset these spending increases. This proposed budget was met with a highly polarized response in Congress and was only resolved in the wake of House Speaker Boehner’s decision to give up his position. For the FY 2017 budget the Budget Control Act will once again be in play.

Voice Of the People seeks to use innovative methods for giving the public a meaningful voice on the issues that Congress is facing. Standard polling on budgetary matters tends to be inadequate for eliciting a meaningful response. While polls show that majorities would like to reduce the deficit, when asked in separate questions whether respondents would prefer to see taxes raised they rarely say yes—naturally they would prefer to find a way for that to not occur. Similarly, they express little enthusiasm for spending cuts. The problem is that each of these questions is asked in isolation, rather than having the respondent deal with the budget in a holistic problem-solving mode.

Citizen Cabinet surveys take a different approach that goes beyond isolated reactions. They take respondents through a ‘policymaking simulation’ that seeks to put them in the shoes of a policymaker by giving respondents a background briefing, presenting arguments for and against policy options, and then finally making their recommendations in a context that may require that they deal with tradeoffs. Another unique feature is that the content is fully vetted for accuracy and balance with Congressional staffers from both parties, as well as other experts.



## DEVELOPING THE POLICYMAKING SIMULATION

The policymaking simulation was developed by the Program for Public Consultation of the School of Public Policy at the University of Maryland.

**Data source:** The source for all spending items was the president's budget as published by the Office of Management and Budget. On the revenue side, most proposals were ones that have been scored by the Congressional Budget Office; a few were drawn from the OMB document.

**Vetting:** The simulation was reviewed by and modified in response to comments from both Democratic and Republican Congressional staffers for the budget committees of the House of Representatives and the Senate to ensure accuracy and balance, and to ensure that the arguments presented were indeed the strongest ones in play in the Congressional discourse.

## DESIGN OF POLICYMAKING SIMULATION

**Briefing:** Respondents were initially told that they would be dealing with the discretionary budget and general revenues. They were also told about the projected budget deficit and that this amount is projected to be \$535 billion for 2016. However, since some of this deficit is related to Social Security and Medicare, which have their own dedicated taxes, the focus for this policymaking simulation would be on the deficit related to the rest of the budget, which is a total of \$394 billion.

They were then given more information about the deficit. They were presented a trendline of the amount of the deficit as a percentage of GDP from 1940 to the present, and a trendline showing the amount of debt held by the public as a percentage of GDP going back to 1940.

**Evaluation of Arguments on Federal Spending:** Respondents were then asked to evaluate three pairs of arguments that are often made in regard to government spending and asked how convincing each one was to them. One pair argued for and against the urgency of reducing the deficit. Another pair argued for and against the importance of reducing the size of government. Another pair argued for and against the importance of making public investments.

**Adjusting Discretionary Budget:** Next, respondents were presented the discretionary budget. Respondents were shown 31 line items of the budget, with a brief description of what they include and the amount proposed in the President's FY2016 budget. For several areas that include mandatory spending this amount was included as well, as this is the clearest representation of the amount of public spending going to these priorities.

Respondents were told that they could specify their recommended spending levels for each line item, either increasing it, decreasing it, or leaving it the same. A bubble containing the amount of the deficit (initially \$394 billion) followed them as they scrolled through the line items and went down or up with each change they made.

**Evaluating Arguments re Revenues:** Next, respondents were told that they would deal with general revenues. But first they evaluated pairs of arguments on three issues: whether it is important to



reduce taxes; whether taxes should be made more progressive; and whether taxes should be used to discourage certain problematic behaviors such as smoking or pollution.

**Adjusting Revenues:** They then turned to specific revenue sources and were given the opportunity to generate increased revenues, and in some cases to reduce them. Once again the bubble with the residual deficit followed them, going down or up in responses to changes made. The first revenue source explored was for personal income taxes. The effective tax rate for different income brackets was presented together with the total amount of revenue generated. Respondents were then given the opportunity to increase or decrease the effective tax rates for each income bracket.

A similar process was applied for corporate taxes, though there was only one effective tax rate presented—19.2%. Respondents could increase or decrease this effective tax rate.

Two revenue options that were included in the president's budget were also included: increasing the top tax rate for dividends and capital gains from 23.8 to 28 percent, and charging a fee to large banks that have large amounts of uninsured debt.

Other revenue options presented were a carbon tax proposal modeled by the Congressional Budget Office, eliminating the special tax for carried interest, charging a tax for financial transactions, increasing the tax on alcoholic drinks, instituting a tax on sugary drinks and charging a capital gains tax on bequests.

## FIELDING OF SURVEY

The policymaking simulation was fielded as a survey with the national Citizen Cabinet, a citizen advisory panel consisting of a probability-based representative sample of registered voters. The Citizen Cabinet panel was primarily recruited from the larger panel of Nielsen-Scarborough, which is recruited by telephone and mail. Additional recruiting by telephone and mail was conducted by Communication for Research. All samples for recruitment were provided by SSI International. The survey itself was conducted on-line.

Responses were weighted by age, income, gender, education, and race with benchmarks from the Census' 2014 Current Population Survey of Registered Voters. Each of the eight state listed below were weighted separately for its gender, race, education, income and age.

Field Dates: September 17—December 14, 2015

TOTAL SAMPLE: 6,949 registered voters  
(probability based)

National Sample: 5,041 registered voters

Margin of Error (MoE): +/-1.4%

Oversamples for specific state: Total 1,908

State samples:

- Oklahoma: 486 (MoE=4.4%)

- Texas: 416 (MoE=4.8%)
- Florida: 407 (MoE=4.9%)
- Ohio: 373 (MoE=5.1%)
- Virginia: 522 (MoE=4.3%)
- California: 595 (MoE=4%)
- Maryland: 490 (MoE=4.4%)
- New York: 412 (MoE=4.8%)



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## SUMMARY OF FINDINGS

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### OVERVIEW

Given an opportunity to modify the proposed FY2016 federal budget, modify spending levels and adopt possible revenue increases, majorities made changes that reduced the deficit by \$277.6 billion. Though they were not asked to try to address the limits of the Budget Control Act (which triggers sequestration in the event of overages), these changes would more than eliminate the \$75 billion overage of the president's proposed FY2016 budget.

The changes on which Republicans and Democrats converged yielded \$10 billion in spending cuts and \$41.9 billion in revenue increases, for a total of \$51.9 billion in deficit reduction on which majorities in both parties agreed—enough to eliminate two thirds of the sequester overages.

Voters in Democratic states tended to reduce the deficit a bit more than those in Republican states, with the highest deficit reduction in New York and the lowest in Oklahoma.

### DISCRETIONARY BUDGET

#### Assessment of General Arguments on Federal Spending

Asked to evaluate a series of arguments about federal spending, the argument that cutting the deficit should be a top priority was found convincing by eight in ten overall (including seven in ten Democrats and nine in ten Republicans). The counter argument that cutting the deficit should be a secondary priority and subordinate to increasing employment was found convincing by three quarters (six in ten Republicans and nine in ten Democrats).

The argument that government performs poorly and is overextended into areas best left to the private sector was found convincing by seven in ten (nine in ten Republicans and half of Democrats). The counter-argument that the government is not overly large and fulfills important functions was found convincing by two thirds (more than eight in ten Democrats, but just four in ten Republicans).

The argument that we should not scrimp on government investments in future capacities and cannot rely on the private sector for this, was found convincing by seven in ten (half of Republicans and nine in ten Democrats). The counter argument that the private sector is more effective at investments while the government is inefficient was also found convincing by seven in ten (nine in ten Republicans and half of Democrats).

#### Specific Changes to Discretionary Spending

Presented the discretionary budget broken into 31 line items and given the opportunity to make changes, majorities did not increase any line items, but reduced a number of them, reducing spending by \$58 billion or more. The largest reductions were to national defense, which a majority reduced by \$38 billion, including regular operations, intelligence, and nuclear weapons. Three billion



was also cut for operations in Afghanistan and Iraq. Other areas cut by \$2-4 billion were subsidies to agricultural corporations, military aid, the space program, and land management.

## **State Variations in Proposed Spending**

Cuts were a bit lower in the states of Oklahoma, Texas and Virginia, primarily because defense cuts were lower there. The deepest cuts were in the swing states of Ohio and Florida.

## **GENERAL REVENUE**

### **Assessment of Arguments on Taxes**

Asked to evaluate a series of arguments about federal taxes, two thirds found convincing the argument that tax cuts can stimulate economic growth (overwhelmingly among Republicans, half of Democrats), but an equally large majority found convincing the counter-argument that it would be unwise to cut taxes with a major deficit still in place (overwhelmingly among Democrats, half of Republicans).

Three quarters found convincing the argument that the wealthy have not been paying their fair share of taxes (including nearly six in ten Republicans as well as nine in ten Democrats), while just under half found convincing the counter-argument that the wealthy already pay a lot and create jobs (seven in ten Republicans, three in ten Democrats).

Two thirds found convincing the argument that it makes sense to use taxes to discourage people from doing things that are harmful and create costs for society (including eight in ten Democrats and a slight majority of Republicans), while slightly fewer found convincing the counter-argument that government should not be in the business of trying to regulate behavior (three quarters of Republicans, half of Democrats).

## **Revenue Changes with Bipartisan Support**

### ***Personal Income Tax Rates***

Respondents were given the opportunity to increase or decrease effective personal income tax rates by specific amounts. Majorities increased income tax rates 5% for those with incomes over \$200,000, generating \$34.1 billion, and further increased tax rates for a total of 10% for those with incomes over \$1 million, generating an additional \$15.3 billion in revenue and a total of \$49.4 billion. While the 5% increase for incomes over \$200,000 was supported by majorities of Republicans and Democrats, Republicans did not support the 10% increase for incomes over \$1 million.

### ***Fee on Uninsured Debt***

A very large bipartisan majority of three in four approved of a proposal in the president's budget for imposing a fee of seven-tenths of one percent on the uninsured debt of very large financial institutions that have taken on large amounts of such debt, in an effort to discourage them from taking on high levels of risk, as well as to generate revenue. This fee generated \$6 billion in revenue.



***Increase of Tax on Carried Interest***

A very large bipartisan majority—three in four—approved of taxing ‘carried interest’ compensation to managers of private investment funds, such as hedge funds, as ordinary income. This would generate \$1.8 billion in revenue.

**Revenue Increases Recommended by Overall Majority, Half of Republicans*****Capital Gains and Dividends***

A large majority of two in three approved of the proposal in the president’s budget to raise the top tax rate on capital gains and dividends from 23.8 to 28 percent. Half of Republicans concurred. This would generate \$22 billion in revenue.

***Alcohol Tax***

A majority recommended an increase in the alcohol tax to 25 cents per ounce for all drinks, generating \$6.4 billion. Half of Republicans agreed.

**Revenue Increases Recommended by Overall Majority, Less Than Half of Republicans*****Carbon Tax***

The largest change in revenue overall was from a new carbon tax, based on a proposal modeled by the Congressional Budget Office. A substantial majority recommended a tax on the amount of carbon dioxide that would increase energy costs approximately \$5 a month per person and generate \$100 billion in revenue. Only one in three Republicans supported any level of carbon taxes.

***Corporate Income Tax***

Respondents were given the opportunity to increase or decrease corporate income tax rates by specific amounts. A bare majority overall (and of Democrats) recommended a 5% increase in corporate taxes, generating \$18 billion in revenue. Only one in three Republicans supported any increase in corporate taxes.

***Tax on Sugary Drinks***

A majority overall (and of Democrats) recommended a tax of half a cent per ounce on sugary drinks, generating \$9 billion in revenue. Just under half of Republicans supported this proposal.

***Financial Transactions Tax***

A majority overall and of Democrats recommended a tax of 0.01 percent on trades of stocks, bonds, and derivatives, generating \$7 billion in revenue. Just under half of Republicans supported this proposal.

**Revenue Increases Not Supported by a Majority*****Capital Gains on Bequests***

Three in five rejected a proposal to apply the capital gains tax to bequests after the first \$100,000, which would have generated \$2 billion. Only a bare majority of Democrats were supportive, while Republicans and independents had substantial majorities opposed.



## State Variations on Revenues

All states made choices that raised large amounts of new revenue, ranging from \$201.6 billion in both Ohio and Florida to \$230.8 billion in New York. In between were two red states, Virginia and Oklahoma, both at \$215.5 billion; Texas and California, both at \$219.6 billion; and the blue state Maryland at \$225.9 billion. One of the biggest variables was that Texas, New York, Maryland and California all chose to raise the effective rate on corporate income tax by 5 percent, while the other four states did not.







## FINDINGS

### OVERVIEW

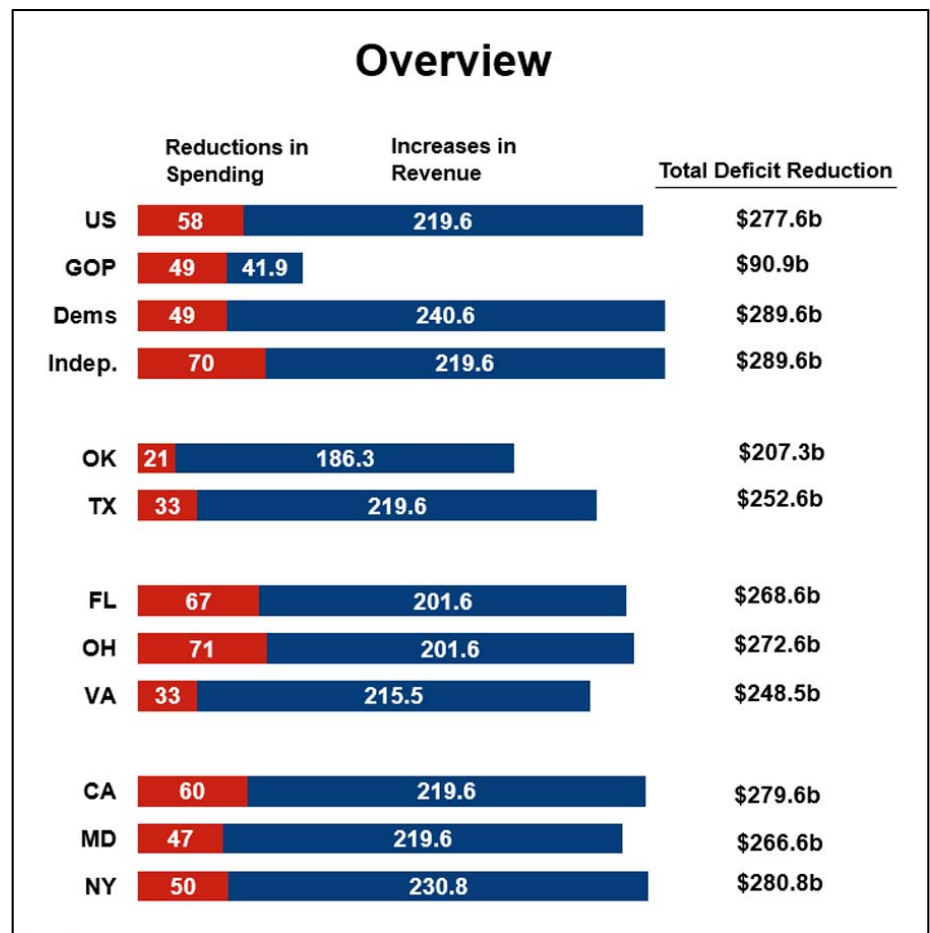
Given an opportunity to modify the proposed FY2016 federal budget and adopt possible revenue increases, majorities made changes that reduced the deficit by \$277.6 billion. Though they were not asked to try to address the limits of the Budget Control Act (which triggers sequestration in the event of overages), these changes would more than eliminate the \$75 billion overage of the president's proposed FY2016 budget.

The changes on which Republicans and Democrats converged yielded \$10 billion in spending cuts and \$41.9 billion in revenue increases, for a total of \$51.9 billion in deficit reduction—enough to eliminate two thirds of the sequester overages.

Democratic states tended to reduce the deficit a bit more than Republican states, with the highest deficit reduction in New York and the lowest in Oklahoma.

As they went through the simulation, majorities made changes that reduced the deficit by \$277.6 billion by cutting \$58 billion in spending and increasing revenues \$219.6 billion. There were substantial variations by party:

- Republicans reduced the deficit by \$90.9 billion by cutting \$49 billion in spending and increasing revenues \$41.9 billion.
- Democrats reduced the deficit by a higher \$287 billion, cutting \$50 billion in spending (similar to the Republican level) while increasing revenues much more, by \$237 billion.



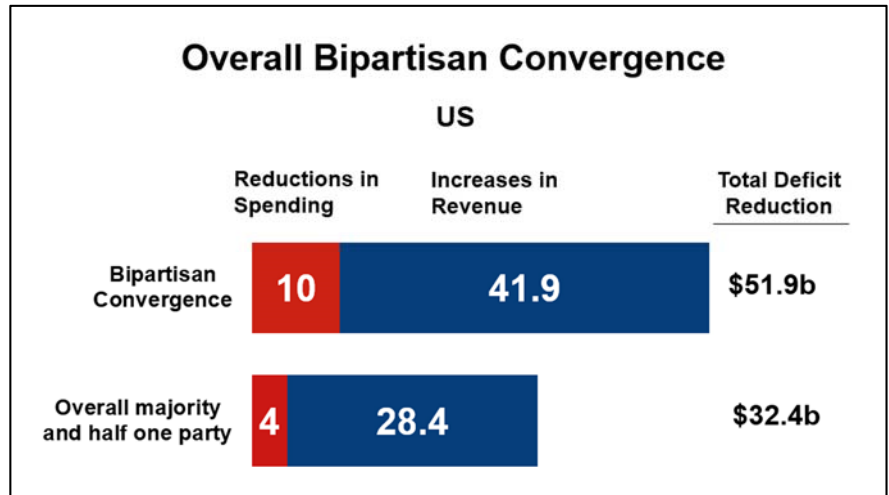
- Independents reduced the deficit the most—by \$289.6 billion. They had the highest level of spending cuts (\$70 billion), plus increases to revenues of \$219.6 billion.



## Bipartisan Convergence

While Republicans and Democrats differed significantly in many areas, majorities did converge on steps that would reduce the deficit by \$51.9 billion—which would cover two thirds of the \$75 billion by which the administration’s budget exceeded the sequester caps of the Budget Control Act.

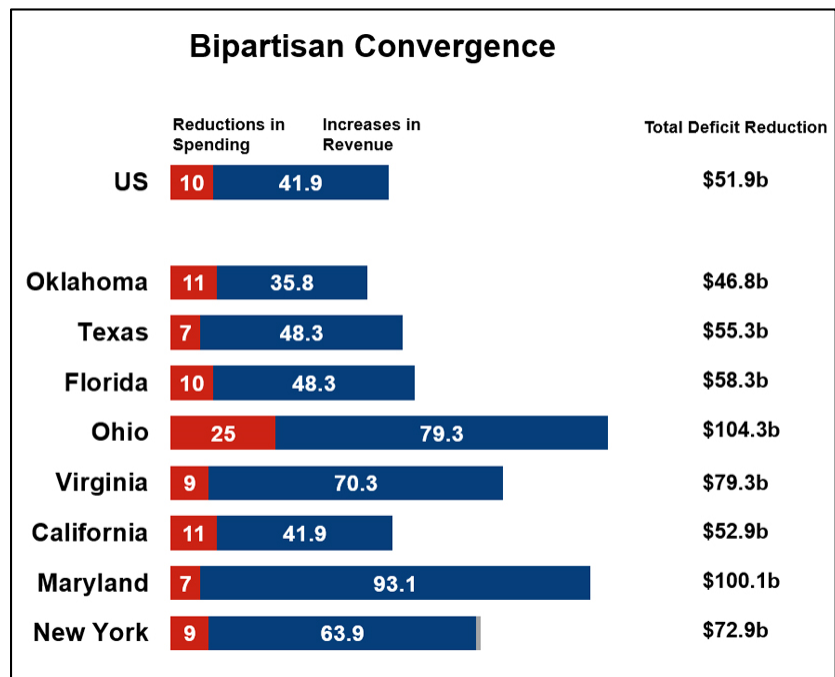
Majorities in both parties converged on \$10 billion in reduced spending. They agreed on a \$3 billion cut to subsidies to agricultural corporations. On defense, majorities in both parties converged on modest cuts to Overseas Contingency Operations (\$1 billion) and the intelligence agencies (\$1 billion). In international affairs, they converged on cuts of \$1 billion each in three areas—military aid, aid to strategic countries, and the State Department. Both parties’ majorities were willing to nick the Justice Department’s budget by \$1 billion.



Convergences between Republicans and Democrats were more significant on the revenue side than on the spending side. On the revenue side, \$41.9 billion in new revenues were found in common between Republicans and Democrats.

For personal income taxes, the parties converged on 5-percent increases in the effective rates for incomes above \$200,000, raising \$34.1 billion. Large majorities in both parties approved of a proposal to impose a fee of seven-tenths of one percent on the uninsured debt of very large financial institutions that have taken on large amounts of such debt; this raised \$6 billion. Similarly large majorities approved of taxing ‘carried interest’ as ordinary income (\$1.8 billion).

Two further revenue options approached convergence, garnering





a majority of one party and half of the other party. Raising the top marginal rate on capital gains and dividends from 23.8 percent to 28 percent (which would raise \$22 billion) was supported by half of Republicans and almost two in three Democrats. Likewise, setting the alcohol tax at 25 cents an ounce (raising 6.4 billion) was supported by half of Republicans and almost two in three Democrats. Together, these would generate an additional \$28.4 billion in revenue.

## State Variations

Majorities in all states reduced the deficit by large amounts, ranging from \$236.5 billion (Oklahoma) up to \$280.8 billion (New York). Three blue states reduced the deficit the most—New York, California (\$279.6 billion) and Maryland (\$272.6 billion). These were closely followed by the two purple states—Ohio at \$272.6 and Florida at \$268.6 billion. Lesser, though still substantial deficit reductions were made in the red states—Texas (\$252.6 billion), and Oklahoma (\$236.5 billion)—as well as Virginia (\$248.5 billion).

Spending cuts were largest in the two purple states of Ohio (\$71 billion) and Florida (\$67 billion). The blue states were middling in their use of spending cuts, with California cutting \$60 billion, New York \$50 billion and Maryland \$47 billion. Red states made fewer cuts, with both Texas and Virginia at \$33 billion and Oklahoma at \$21 billion. This pattern was largely due to the purple states making significant cuts both to defense and to a variety of other areas. The blue states' cuts fell more on defense, while conserving spending elsewhere; the red states tended to conserve defense spending and made their cuts in other parts in the budget.

All states made choices that raised large amounts of new revenue, ranging from \$201.6 billion in both Ohio and Florida to \$230.8 billion in New York. In between were two red states, Virginia and Oklahoma, both at \$215.5 billion; Texas and California, both at \$219.6 billion; and the blue state Maryland at \$225.9 billion. One of the biggest variables was that Texas, New York, Maryland and California all chose to raise the effective rate on corporate income tax by 5 percent, while the other four states did not. New York and Maryland also did more in raising income taxes on higher incomes.





## DISCRETIONARY BUDGET

### Assessment of General Arguments on Federal Spending

Asked to evaluate a series of arguments about federal spending, the argument that cutting the deficit should be a top priority was found convincing by eight in ten overall (including seven in ten Democrats and nine in ten Republicans). The counter argument that cutting the deficit should be a secondary priority and subordinate to increasing employment was found convincing by three quarters (six in ten Republicans and nine in ten Democrats).

The argument that government performs poorly and is overextended into areas best left to the private sector was found convincing by seven in ten (nine in ten Republicans and half of Democrats). The counter-argument that the government is not overly large and fulfills important functions was found convincing by two thirds (more than eight in ten Democrats, but just four in ten Republicans).

The argument that we should not scrimp on government investments in future capacities and cannot rely on the private sector for this, was found convincing by seven in ten (half of Republicans and nine in ten Democrats). The counter argument that the private sector is more effective at investments while the government is inefficient was also found convincing by seven in ten (nine in ten Republicans and half of Democrats).

Before beginning to work with the numbers in the budget and revenue proposals, respondents were presented a background briefing on some of the issues surrounding the Federal budget and asked to assess competing arguments on the issues that are prevalent in the political discourse on the budget. These issues centered on several key questions:

- How high a priority it should be to reduce the deficit
- The size of the federal government and how active it should be
- How important is it for the government to spend money on public investments

### The Importance of Reducing the Budget Deficit

To introduce the issue of the budget deficit respondents were presented two graphs putting the deficit into historical perspective:

- Deficits as a percentage of Gross Domestic Product (GDP), 1940-2015
- Debt held by the public as a percentage of GDP, 1940-2015

Thus they saw in the first graph that the deficit as a percentage of GDP has been falling since 2009 – but the second graph showed that the national debt, as a percentage of GDP, has continued to rise.

Respondents then assessed an argument declaring that reducing the deficit should be a top priority (see box). Four in five (82%) found it convincing (40% very). Virtually all Republicans (94%) thought so, but the argument also got a good reception among Democrats (70%). In the states, agreement ranged from 79% (California) to 87% (Ohio, Virginia).



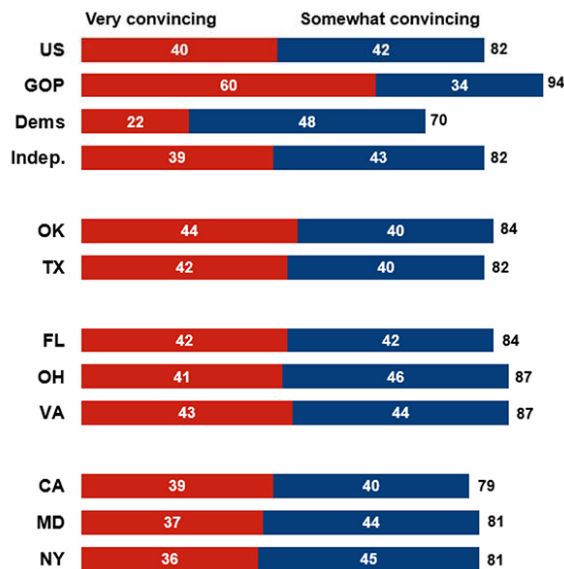


The counter-argument called the deficit important, but said it should be secondary to the goal of sustaining the economic recovery (see box). Three in four found this argument convincing (40% very). A smaller number of Republicans but still a majority found this convincing (58%), while almost all Democrats found it convincing (90%, 55% very). In the states, agreement ranged from 72% (Texas) to 85% (Maryland).

## Whether Deficit Reduction Should be a High Priority

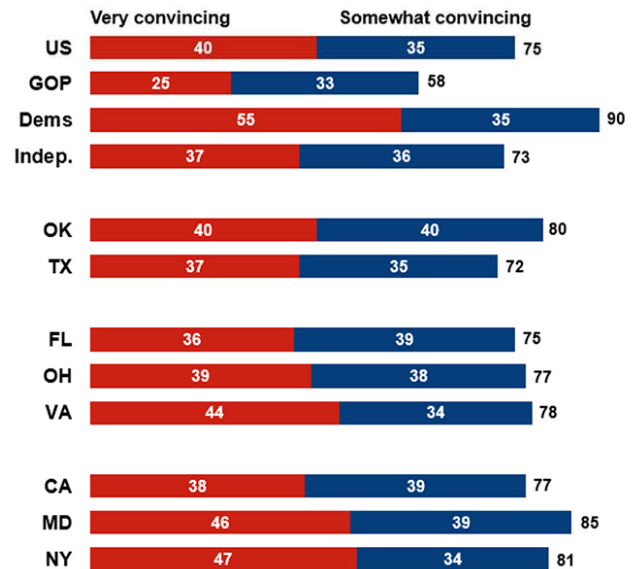
### Highest Priority

We have been running huge deficits for years now, putting the national debt on a path to unsustainable heights. 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. We need to make reducing the deficit our first priority.



### Employment a Higher Priority

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.





## The Role of Government

In the briefing respondents were first presented a graph showing how federal spending as a percentage of GDP has changed from 1940 to 2015. They were told that “based on the proposed 2016 federal budget, the entire federal government would represent 21% of the economy.”

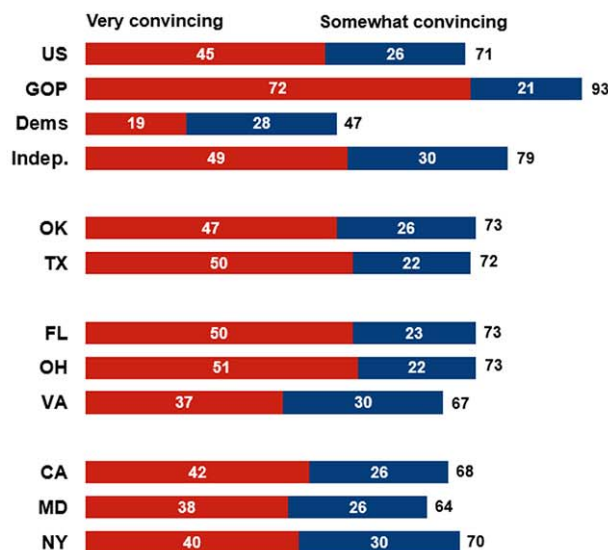
They then assessed an argument in favor of smaller government (see box). This was found convincing by seven in ten overall (45% very). An overwhelming 93% of Republicans found it convincing (72% very), as did slightly less than half of Democrats (47%). Among the states, majorities ran from 64% (Maryland) to 73% (Oklahoma, Florida, Ohio).

The counter-argument stressed that the federal government has been a larger share of the US economy in the past than it is now, and reminded respondents of the various services it provides. It did a bit less well than the prior argument, with two in three (64%) finding it convincing (30% very). A majority of Republicans found it unconvincing (58%), while almost nine in ten Democrats (85%) found it convincing. Among the states, majorities ran from 61% (Texas) to 76% (Maryland).

## Views on Government

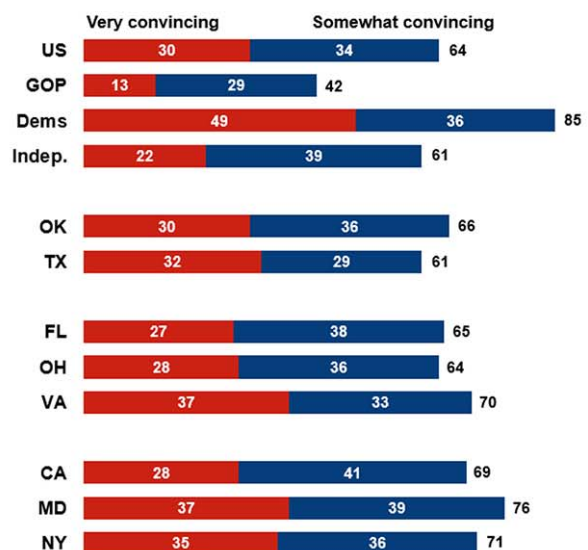
### Government as a Problem

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.



### Government as Valuable

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.





## Public Investment

The last broad issue before respondents tackled the spending numbers concerned putting government money into 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.”

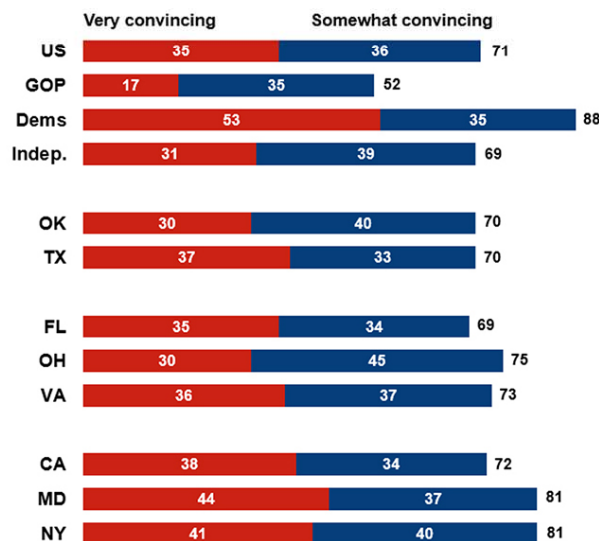
The pro argument held that “investing in the future...can bring big returns later on” and that corporations are necessarily profit-driven and cannot be counted on to deliver public goods. Seven in ten found this convincing (35% very), as did 88% of Democrats, but only a slight majority of Republicans (52% convincing, 48% unconvincing). Among the states, majorities ran from 69% (Florida) to 81% (Maryland, New York).

The counter-argument declared that the private sector is better than government at investing in the future, and that government attempts deflect capital from innovation in the private sector. This got almost as high a rating as the pro argument—68% convincing (39% very). Nine in ten Republicans found it convincing, but so did 48% of Democrats. Among the states, majorities ran from 59% (Maryland) to 72% (Ohio).

## Public Investment

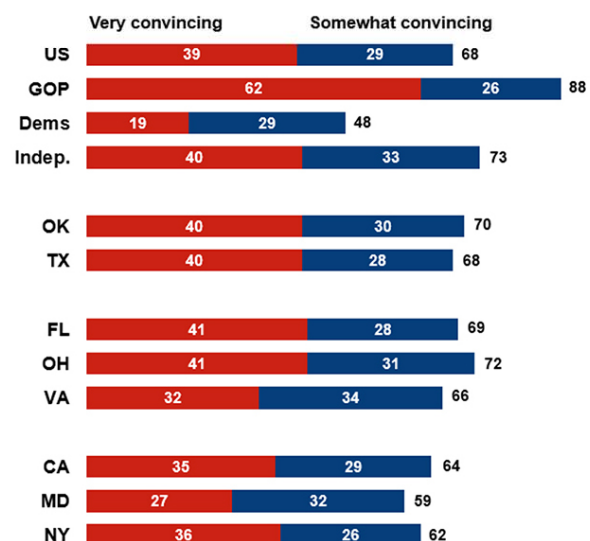
### Good Idea

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.



### Private Sector Better

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.





## Specific Changes to Discretionary Spending

**Presented the discretionary budget broken into 31 line items and given the opportunity to make changes, majorities did not increase any line items, but reduced a number of them, reducing spending by \$58 billion or more. The largest reductions were to national defense, which a majority reduced by \$38 billion, including regular operations, intelligence, and nuclear weapons. Three billion was also cut for operations in Afghanistan and Iraq. Other areas cut by \$2-4 billion were subsidies to agricultural corporations, military aid, the space program, and land management.**

Panelists were presented the discretionary budget broken into 31 line items, each with a brief description of the program. The order of the presentation of the line items was varied to counter any potential order effect. Next to each line item was a box for the panelist to enter the amount that they would recommend. The amount of the budget deficit—\$394 billion—was presented in a bubble that followed them as they moved down the list. Any variation from the FY 2016 budget resulted in an immediate change in the projected deficit in the bubble.

In the full sample, out of the \$1,284 billion<sup>1</sup> of spending shown respondents as the proposed discretionary budget, majorities cut \$58 billion—a trim of 4.5 percent. Of the 31 spending categories, majorities left 17 unchanged, while reducing 14 of them. No category received an increase.

Of the \$58 billion that was cut, over half (\$38 billion) came from national defense. Thirty-four billion came from the base budget of the Defense Department; \$3 billion from the intelligence agencies; and \$1 billion from nuclear weapons spending at the Department of Energy. Outside the realm of the Budget Control Act, Overseas Contingency Operations (OCO), which covers operations in Afghanistan and Iraq, was cut by \$3 billion.

The remaining \$17 billion in reductions were spread widely, led by a cut to subsidies for agricultural corporations and farm equipment manufacturers—\$4 billion (a 44 percent cut). Land management and conservation was cut by \$2 billion. In the sciences, the space program was cut \$3 billion and medical research \$1 billion. Federal administration of justice for the enforcement of federal laws received a \$1 billion cut.

While majorities made some reductions in the international affairs budget, only military aid was cut more than \$1 billion (at \$2 billion). Slight cuts of \$1 billion were applied to the State Department, the Economic Support Fund for strategic countries, development assistance, and global health. Funding for humanitarian assistance and the UN and UN peacekeeping were left unchanged.

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<sup>1</sup> The Office of Management and Budget's 2016 budget document gives a proposed discretionary spending total of \$1,194 billion. The simulation showed respondents a slightly higher \$1,284 billion, because without including mandatory spending in a few categories, respondents would get a highly misleading picture of the government's activity. Most notably, veterans' benefits would have appeared extremely low.





## Variations by Party

Majorities of Republicans cut \$49 billion and majorities of Democrats cut \$50 billion, while majorities of independents cut \$70 billion. Democrats and independents made their largest cuts in defense spending and the operations in Iran and Afghanistan, while Republicans made a larger number of small cuts, with the largest cuts to foreign aid and subsidies to agricultural corporations.

While Republicans and Democrats differed significantly in many areas, majorities in both parties did converge on \$10 billion in reductions—the most prominent being a \$3 billion cut to subsidies to agricultural corporations. On defense, they converged on modest cuts to OCO (\$1 billion) and the intelligence agencies (\$1 billion). In international affairs, they converged on cuts of \$1 billion each to military aid, aid to strategic countries, and the State Department. And both were willing to nick the Justice Department's budget by \$1 billion.

### ***Republicans' Changes to Discretionary Spending***

Among Republicans, majorities cut \$49 billion—a trim of 3.8 percent. No category received an increase, and all but 8 of the 31 categories were reduced to some degree.

Unlike the full sample, only \$2 billion of Republicans' cuts came from national defense. Republicans cut the intelligence agencies by \$1 billion, leaving the base defense budget and nuclear weapons at the same levels. Overseas Contingency Operations were cut by \$1 billion. As a partial consequence, Republicans cut \$9 billion less than the full sample did, and \$1 billion less than Democrats.

Republican majorities made their largest single reduction to housing programs (\$6 billion), followed by a \$4 billion cut to subsidies for agricultural corporations, identical to the full sample. All three science categories (science in general, the space program, medical research) were cut by \$3 billion each. Republicans cut land management by \$2 billion and environmental regulation by \$1 billion.

Republican majorities also cut the international affairs budget, especially development assistance (\$4 billion) and global health (\$3 billion). The UN and UN peacekeeping, and aid to strategic countries were cut by \$2 billion each. The State Department, military aid, and humanitarian assistance all received cuts of \$1 billion each.

In transportation, Republican majorities cut mass transit (\$2 billion) and highways (\$1 billion), but not air and rail. In education, Republicans cut higher education (\$3 billion) and K-12 education (\$2 billion), along with job training (\$1 billion). They also cut renewable energy and energy efficiency by \$1 billion.

### ***Democrats' Changes to Discretionary Spending***

Democratic majorities made \$57 billion in cuts, but unlike either the full sample or Republicans, they also made some spending increases, totaling \$7 billion. Thus their net reduction in discretionary spending was \$49 billion. Democrats made cuts totaling \$38 billion to national defense. Acting just as the full sample did, Democrats cut \$34 billion was cut from the base budget of DoD, \$3 billion from intelligence agencies, and \$1 billion from nuclear weapons. More unusually, Democrats reduced OCO by \$6 billion—a 12 percent cut, about twice that of the full sample.



Budget Areas Modified by Majorities	Budgeted (billions)	Natl	GOP	Dems	Indep.
<b><i>Reduced by a majority of both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-4	-3	-3
Operations in Afghanistan and Iraq	51	-3	-1	-6	-6
Defense: intelligence	53	-3	-1	-3	-3
Space program	18	-3	-3	-1	-3
Military aid	7	-2	-1	-2	-2
ESF: aid to countries of strategic interest	6	-1	-2	-1	-2
Federal enforcement of federal laws	24	-1	-1	-1	-2
State Department	11	-1	-1	-1	-1
<b>Total:</b>		<b>-18</b>	<b>-14</b>	<b>-18</b>	<b>-22</b>
<b><i>Additional reductions supported by half of one party</i></b>					
Subsidies to agricultural corporations	9			-1	-1
Defense: intelligence	53		-1		
Space program	18			-1	
Military aid	7		-1		
<b>Total:</b>			<b>-2</b>	<b>-2</b>	<b>-1</b>
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34		-34	-34
Environment: land management	17	-2	-2		-1
Defense: nuclear weapons	19	-1		-1	-1
Development assistance	11	-1	-4		-2
Global health: medical aid	8	-1	-3		-2
Medical research	33	-1	-3		-3
<b>Total:</b>		<b>-40</b>	<b>-12</b>	<b>-35</b>	<b>-43</b>
<b><i>Additional Changes with no national majority, but supported by majorities of one party</i></b>					
Education: K-12	32		-2	+1	
Energy: alternatives, efficiency	3		-1	+2	
Environment: pollution	9		-1	+1	
Higher education	28		-3	+2	
Homeland Security	48			-3	-2
Housing for elderly and low-income	46		-6		-1
Humanitarian assistance	6		-1		-1
Job training	7		-1	+1	
Science	13		-3		
Transportation: highways	53		-1		
Transportation: mass transit	20		-2		
UN and UN peacekeeping	4		-2		-1
<b>Total:</b>		<b>-58</b>	<b>-51</b>	<b>-51</b>	<b>-71</b>

*Discretionary spending areas that were not modified by a majority are: Transportation: air travel and railroads; Federal prison system; Special education: students with disabilities; Subsidies to small farmers; Veteran's benefits.*



Democrats also cut subsidies to agricultural corporations (\$3 billion), the Department of Justice (\$1 billion), and Homeland Security (\$3 billion). In the international affairs budget, Democrats, like the rest of the sample, made cuts to military aid (\$2 billion), aid to strategic countries (\$1 billion) and the State Department (\$1 billion). However, they preserved funding for humanitarian assistance, development assistance, global health and the UN.

Democrats increased higher education (\$2 billion), as well as K-12 and job training (\$1 billion each). They made minor increases in renewable energy and efficiency (up \$2 billion) in addition to the environment and pollution control (up \$1 billion).

## State Variations

**Cuts were a bit lower in the states of Oklahoma, Texas and Virginia, primarily because defense cuts were lower there. The deepest cuts were in the swing states of Ohio and Florida.**

Spending cuts were largest in the two purple states of Ohio (\$71 billion) and Florida (\$67 billion). The blue states were middling in their use of spending cuts, with California cutting \$60 billion, New York \$50 billion and Maryland \$47 billion. Red states made fewer cuts, with both Texas and Virginia at \$33 billion and Oklahoma at \$21 billion. This pattern was largely due to the purple states making significant cuts both to defense and to a variety of other areas. The blue states' cuts fell more on defense, while conserving spending elsewhere; the red states tended to conserve defense spending and made their cuts in other parts in the budget.



Budget Areas Modified by Majorities	Nat'l (billions)	NY	MD	CA	VA	OH	FL	TX	OK
<b>Reduced by both parties nationally</b>									
Subsidies to agricultural corporations	-4	-2	-2	-4	-3	-4	-4	-3	-4
Operations in Afghanistan and Iraq	-3	-6	-2	-6	-1	-3	-6	-2	-1
Defense: intelligence	-3	-3	-3	-3	-3	-3	-3	-3	-3
Space program	-3	-3	-2	-1	-2	-3	-3	-3	-2
Military aid	-2	-1	-1	-2	-2	-2	-2	-2	-1
ESF: aid to countries of strategic interest	-1	-1	-1	-1	-1	-2	-2	-2	-1
Federal enforcement of federal laws	-1			-2	-1	-2	-1		
State Department	-1	-1	-1	-1	-1	-1	-1	-1	-1
<b>Reduced overall and by one party nationally</b>									
Defense: general operations	-34	-34	-34	-34	-9	-34	-34	-9	-4
Environment: land management	-2				-2	-2	-2	-2	-1
Defense: nuclear weapons	-1			-1	-1	-2	-1		
Development assistance	-1	-1	-1	-1	-2	-1	-1	-1	-1
Global health: medical aid	-1			-1	-1	-2	-2	-1	-1
Medical research	-1			-1	-1	-3		-3	
<b>No national majority for change, but changes by parties</b>									
Education: K-12						-2			
Energy: alternatives, efficiency		+2		+1					
Environment: pollution									
Federal prison system							-1		
Higher education									
Homeland Security				-3	-1				
Housing for elderly and low-income					-1	-1	-1	-1	
Humanitarian assistance						-1			
Job training									
Science					-1	-2	-1		-1
Transportation: highways							-1		
Transportation: mass transit						-1			
UN and UN peacekeeping							-1		
<b>Total:</b>	<b>-58</b>	<b>-50</b>	<b>-47</b>	<b>-60</b>	<b>-33</b>	<b>-71</b>	<b>-67</b>	<b>-33</b>	<b>-21</b>





## GENERAL REVENUE

### Assessment of Arguments on Taxes

Asked to evaluate a series of arguments about federal taxes, two thirds found convincing the argument that tax cuts can stimulate economic growth (overwhelmingly among Republicans, half of Democrats), but an equally large majority found convincing the counter-argument that it would be unwise to cut taxes with a major deficit still in place (overwhelmingly among Democrats, half of Republicans).

Three quarters found convincing the argument that the wealthy have not been paying their fair share of taxes (including nearly six in ten Republicans as well as nine in ten Democrats), while just under half found convincing the counter-argument that the wealthy already pay a lot and create jobs (seven in ten Republicans, three in ten Democrats).

Two thirds found convincing the argument that it makes sense to use taxes to discourage people from doing things that are harmful and create costs for society (including eight in ten Democrats and a slight majority of Republicans), while slightly fewer found convincing the counter-argument that government should not be in the business of trying to regulate behavior (three quarters of Republicans, half of Democrats).

Before beginning to assess options for changes to general revenues, respondents assessed broad arguments on the proper role of taxes. They rated a pair of arguments each on:

- Whether it is important to reduce taxes
- What the income tax rate should be for people with very high incomes
- Whether taxes should be used to discourage certain things that create costs for society (tobacco, alcohol, pollutants)





## Arguments Re: Tax Reduction

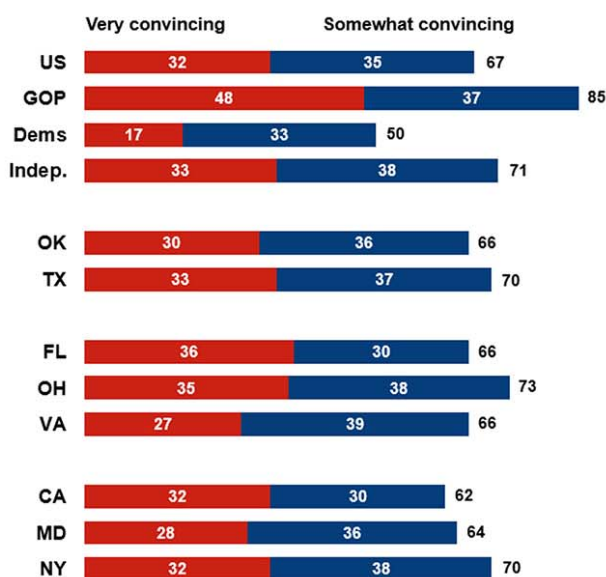
Respondents first assessed an argument in favor of tax cuts saying that they stimulate economic growth, mentioning times in the 1960s and 1990s when tax reductions were followed by economic expansion (see box). About two thirds (67%) found this argument convincing (32% very), as did 85% of Republicans. Democrats were divided (50% convincing, 49% unconvincing). Among the states, majorities finding it convincing ranged from 62% (California) to 73% (Ohio).

Respondents then read a counter-argument that declared “we still have a major deficit,” and pointed to other times in past decades when taxes were higher while this was accompanied by economic growth. This argument against tax reductions did as well as the pro argument 67% found it convincing. In partisan terms the response was a mirror image—an overwhelming majority of 82% Democrats found it convincing while Republicans were divided (50% convincing, 49% unconvincing). Among the states, majorities finding it convincing ranged from 62% (Florida) to 75% (Maryland).

## Reducing Taxes

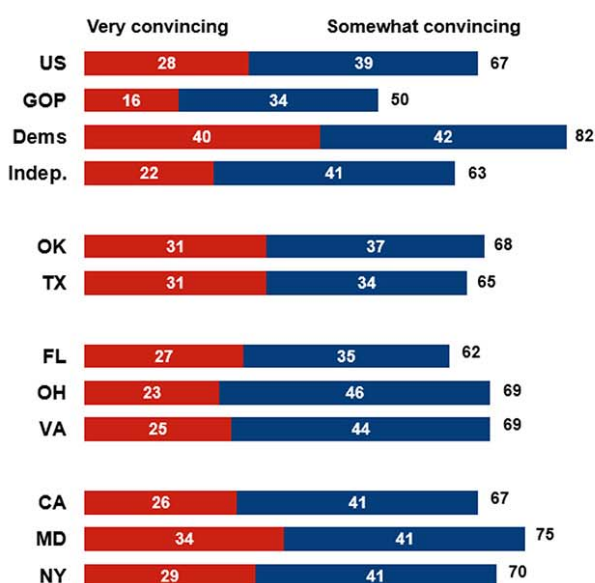
### Pro

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.



### Con

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.





## Arguments Re: Increasing Taxes on High Incomes

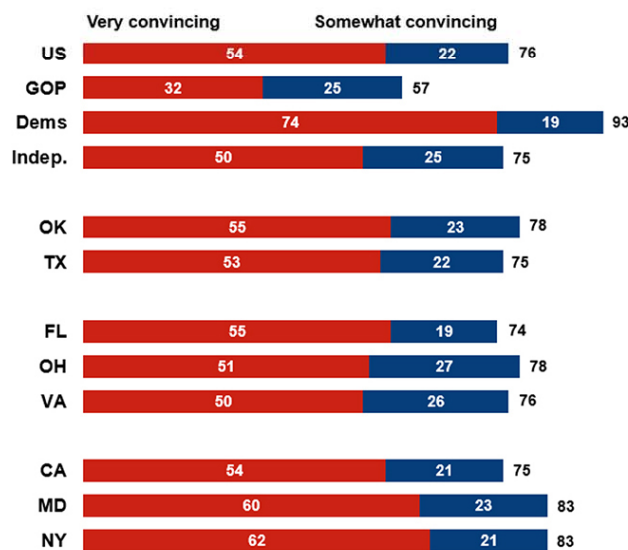
The pro argument respondents assessed proposed higher income taxes for the top levels, saying this is justified by increased inequality (see box). This argument did very well, with 76% finding it convincing and a 54% majority very convincing. Democrats were almost unanimous on it (93% convincing), but a clear majority of Republicans also found it convincing (57%). Among the states, agreement ranged from 74% (Florida) to 83% (Maryland, New York).

The rebuttal pointed out that higher-income people got a new tax increase just recently, and went on to make the case that such people can create jobs and should not be discouraged from doing so at a time when recovery from the recession is still ongoing. This argument was not very successful; just under half found it convincing (47% convincing, 52% unconvincing). It was convincing to 70% of Republicans, but only 28% of Democrats. Only in one state, Texas, did a majority find the argument convincing (55%). Maryland had the lowest number (42%) finding it convincing.

### Increasing Taxes on High Incomes

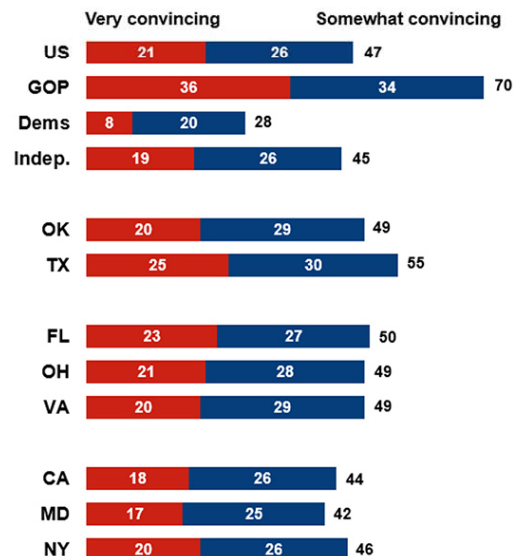
#### Pro

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.



#### Con

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.





## Arguments Re: Using Taxes as Disincentives

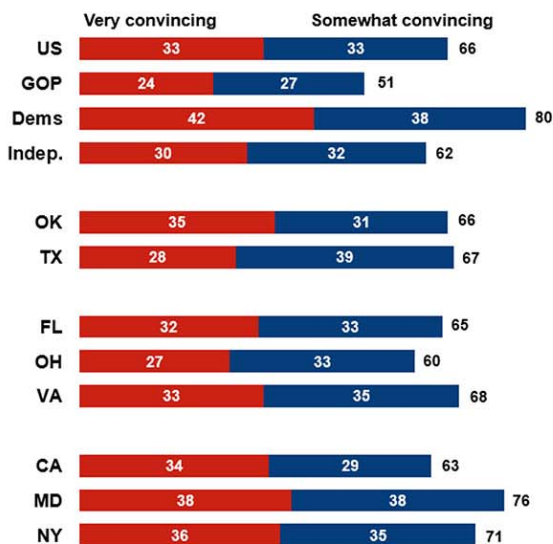
The last pair of arguments began with one praising taxes used as disincentives for activities that create costs to society, such as taxes on cigarettes (see box). This was found convincing by two thirds (66%, 33% very), including a modest majority of Republicans (52%). Four in five Democrats found it convincing (80%). Among the states, majorities ranged from 62% (Ohio) to 76% (Maryland).

The con argument that followed invoked the “nanny state” as something to be avoided, and argued that these kinds of taxes fall disproportionately on people with low or modest incomes. This argument did only slightly less well, with 65% finding it convincing (34% very). Among Republicans it was very well received (76% convincing, 47% very), while a slight majority (53%) of Democrats found it unconvincing (47% convincing). Among the states, majorities ranged from 59% (California, Maryland) to 68% (Texas).

### Using Taxes as Disincentives

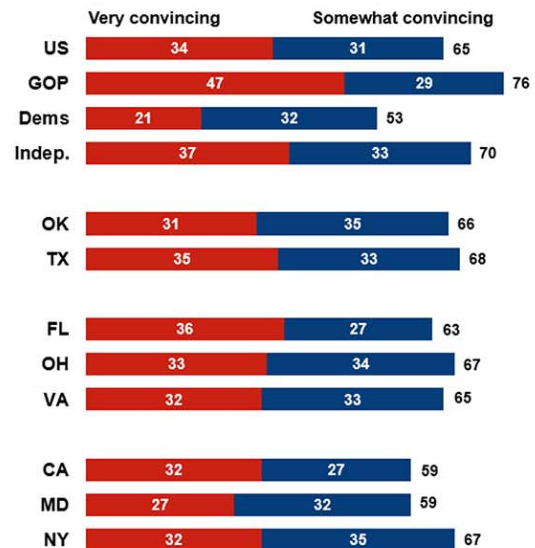
#### Pro

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.



#### Con

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.







## Revenue Changes with Bipartisan Support

### *Personal Income Tax Rates*

**Respondents were given the opportunity to increase or decrease effective personal income tax rates by specific amounts. Majorities increased income tax rates 5% for those with incomes over \$200,000, generating \$34.1 billion, and further increased tax rates for a total of 10% for those with incomes over \$1 million, generating an additional \$15.3 billion in revenue and a total of \$49.4 billion. While the 5% increase for incomes over \$200,000 was supported by majorities of Republicans and Democrats, Republicans did not support the 10% increase for incomes over \$1 million.**

When panelists were presented options for changing revenues the ones that elicited the highest revenue among those with bipartisan support were increases to income taxes with those in higher income brackets.

Respondents were given detailed instructions. It was explained that they were dealing with effective rates, not top marginal rates; that incomes below \$30,000, which pay very little income tax, were not part of this picture; and that (as they had already heard via an argument) higher incomes just got a rate increase in 2013. The instructions read in part:

The next pages show 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.

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.

They were then given the opportunity to increase or decrease the rates of eight different income brackets by increments of 5 percent up to 20 percent. The effect this would have on the effective tax rate and the amount of revenue generated was specified at each level. Naturally, decreases in the tax rates resulted in increases in the budget deficit presented in the bubble that moved with them through the exercise, just as increases in the tax rates resulted in decreases to the deficit.

There was not overall majority support for increasing or decreasing tax rates for incomes under \$200,000. However, all income groups above \$200,000 were raised by at least five percent, in all cases by large majorities:



- 65% for incomes between \$200,000 and \$500,000
- 69% for incomes between \$500,000 and \$1 million
- 72% for incomes above \$1 million

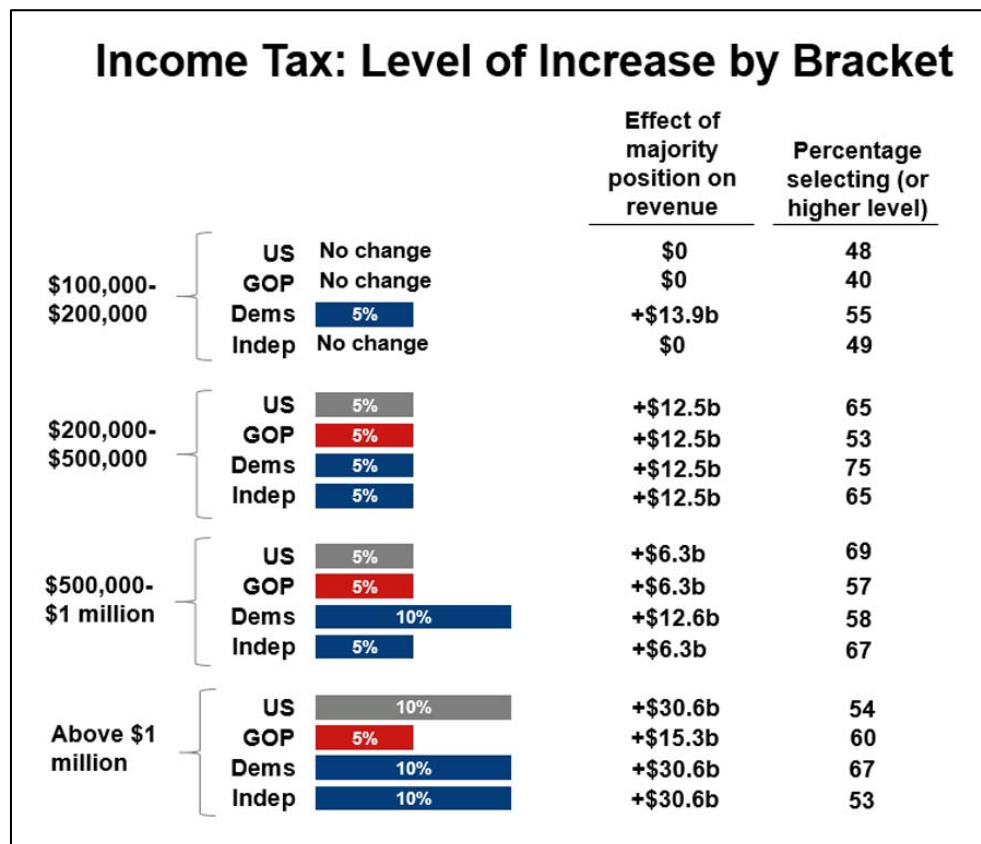
This increase of 5 percent on all incomes above \$200,000 raised \$34.1 billion in revenues.

A majority (54%) went further and took the increase on incomes over \$1 million up to 10 percent. Fifty-four percent of respondents chose at least the 10 percent level while 43% made other choices (5 percent increase, 18%; no change, 13%; decreases to the rate, 12%). This generated an additional \$15.3 billion in revenue, raising the total to \$49.4 billion for this source.

Majorities of Republicans only differed from the full sample by not extending an increase to 10 percent for incomes above \$1 million. Thus Republicans raised \$34.1 billion from increasing effective rates.

Democrats' increases started at incomes of \$100,000 and were more considerable. From \$100,000 to \$500,000, Democrats picked a 5 percent increase; from \$500,000 up, a 10 percent increase. Consequently, they raised a higher \$69.6 billion from this source. Interestingly, half of Democrats (50%) chose cuts of at least 5% for incomes of \$30,000-\$40,000, creating a \$1.2 billion revenue cut.

Looking to the states, majorities differed from the national sample in Virginia and New York by increasing the effective rate on the \$100,000-\$200,000 bracket by 5%. Majorities also increased the rate on the \$500,000-\$1 million bracket in New York. Oklahoma raised the rate on incomes above \$1 million by 5% rather than 10%. There were no other state differences from national choices.





## Income Tax: Level of Increase by Bracket - State Variations -

### \$100,000-\$200,000

		Effect of majority position on revenue	Percentage selecting (or higher level)
US	No change	\$0	48
GOP	No change	\$0	40
Dems	5%	\$13.9b	55
Indep	No change	\$0	49
OK	No change	\$0	50
TX	No change	\$0	48
FL	No change	\$0	46
OH	No change	\$0	47
VA	5%	\$13.9b	52
CA	No change	\$0	48
MD	No change	\$0	46
NY	5%	\$13.9b	51

### \$200,000-\$500,000

		Effect of majority position on revenue	Percentage selecting (or higher level)
US	5%	+\$12.5b	65
GOP	5%	+\$12.5b	53
Dems	5%	+\$12.5b	75
Indep	5%	+\$12.5b	65
OK	5%	+\$12.5b	62
TX	5%	+\$12.5b	62
FL	5%	+\$12.5b	66
OH	5%	+\$12.5b	63
VA	5%	+\$12.5b	66
CA	5%	+\$12.5b	66
MD	5%	+\$12.5b	64
NY	5%	+\$12.5b	67

### \$500,000-\$1 million

		Effect of majority position on revenue	Percentage selecting (or higher level)
US	5%	+\$6.3b	69
GOP	5%	+\$6.3b	57
Dems	10%	+\$12.6b	58
Indep	5%	+\$6.3b	67
OK	5%	+\$6.3b	66
TX	5%	+\$6.3b	69
FL	5%	+\$6.3b	68
OH	5%	+\$6.3b	66
VA	5%	+\$6.3b	68
CA	5%	+\$6.3b	69
MD	5%	+\$6.3b	77
NY	10%	+\$12.6b	52

### Above \$1 million

		Effect of majority position on revenue	Percentage selecting (or higher level)
US	10%	+\$30.6b	54
GOP	5%	+\$15.3b	60
Dems	10%	+\$30.6b	67
Indep	10%	+\$30.6b	53
OK	5%	+\$15.3b	67
TX	10%	+\$30.6b	53
FL	10%	+\$30.6b	50
OH	10%	+\$30.6b	52
VA	10%	+\$30.6b	56
CA	10%	+\$30.6b	55
MD	10%	+\$30.6b	55
NY	10%	+\$30.6b	56



### ***Fee on Uninsured Debt***

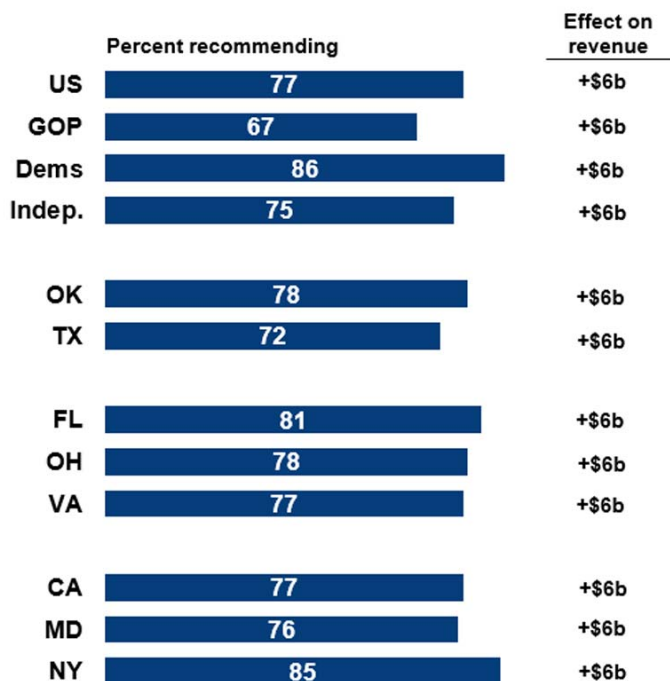
A very large bipartisan majority of three in four approved of a proposal in the president's budget for imposing a fee of seven-tenths of one percent on the uninsured debt of very large financial institutions that have taken on large amounts of such debt, in an effort to discourage them from taking on high levels of risk, as well as to generate revenue. This fee generated \$6 billion in revenue.

Respondents read that:

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.

### **Fee on Uninsured Debt**

Financial 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.



A robust bipartisan majority of 77% endorsed this plan, which generated \$6 billion in revenue. Two thirds (67%) of Republicans were supportive of this fee—one of the highest levels of support for a revenue increase among Republicans, though it was explicitly presented in as the president's proposal. Almost nine in ten Democrats agreed (86%), as did 75% of independents. Among the states, majorities endorsing the fee ranged from 72% (Texas) to 85% (New York).

### ***Increase of Tax on Carried Interest***

A very large bipartisan majority—three in four—approved of taxing 'carried interest' compensation to managers of private investment funds, such as hedge funds, as ordinary income. This would generate \$1.8 billion in revenue.

Respondents first learned how fund managers are currently paid and taxed:

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%.



And then were presented the proposal to:

...tax this “carried interest” compensation like ordinary income, such as wages. This would raise extra revenue of \$1.8 billion.

Taxing ‘carried interest’ as ordinary income was recommended by three in four (76%), with only 22% opposed.

This was one of the highest levels of consensus registered in the survey. This change was adopted by very large majorities of Republicans (74%) as well as Democrats (79%). Among the states, majorities ranged from 65% (Oklahoma) to 80% (New York).

## Revenue Increases Recommended by Overall Majority, Half of Republicans

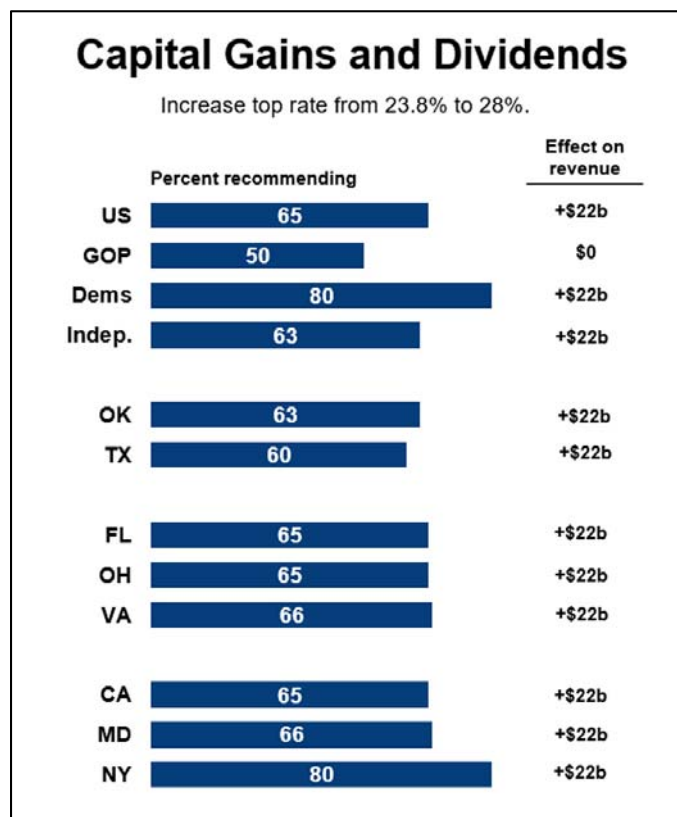
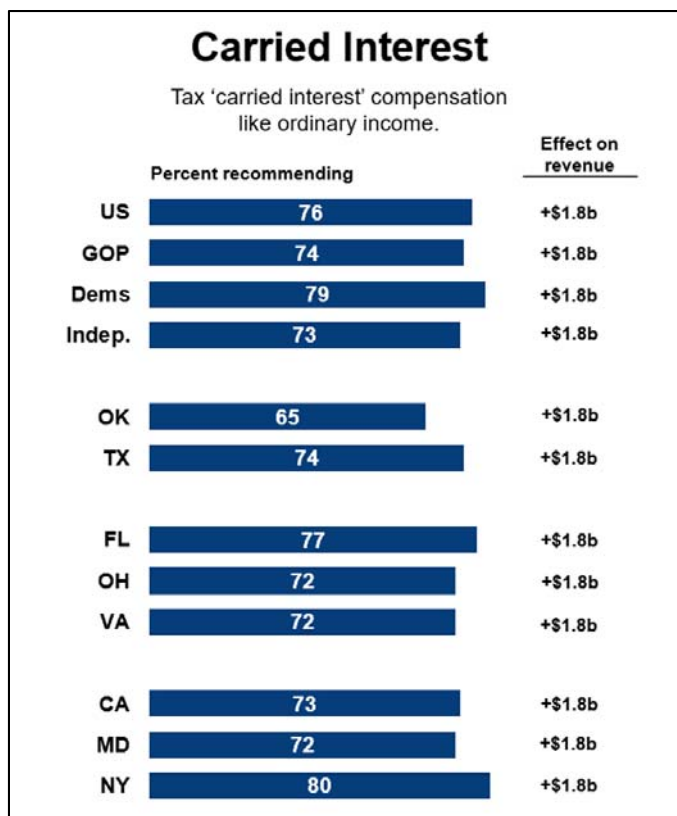
### *Capital Gains and Dividends*

A large majority of two in three approved of the proposal in the president’s budget to raise the top tax rate on capital gains and dividends from 23.8 to 28 percent. Half of Republicans concurred. This would generate \$22 billion in revenue.

Respondents were told about that the plan in the president’s proposed budget as follows:

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.

Two-thirds (65%) elected to raise the top marginal tax rate on capital gains and dividends from 23.8 to 28 percent, which raised \$22 billion. Thirty-three percent were opposed. This revenue change was selected by 50% Republicans and 80% of Democrats (independents, 63%). Among the states, majorities making this choice ranged from 60% (Texas) to 80% (New York).

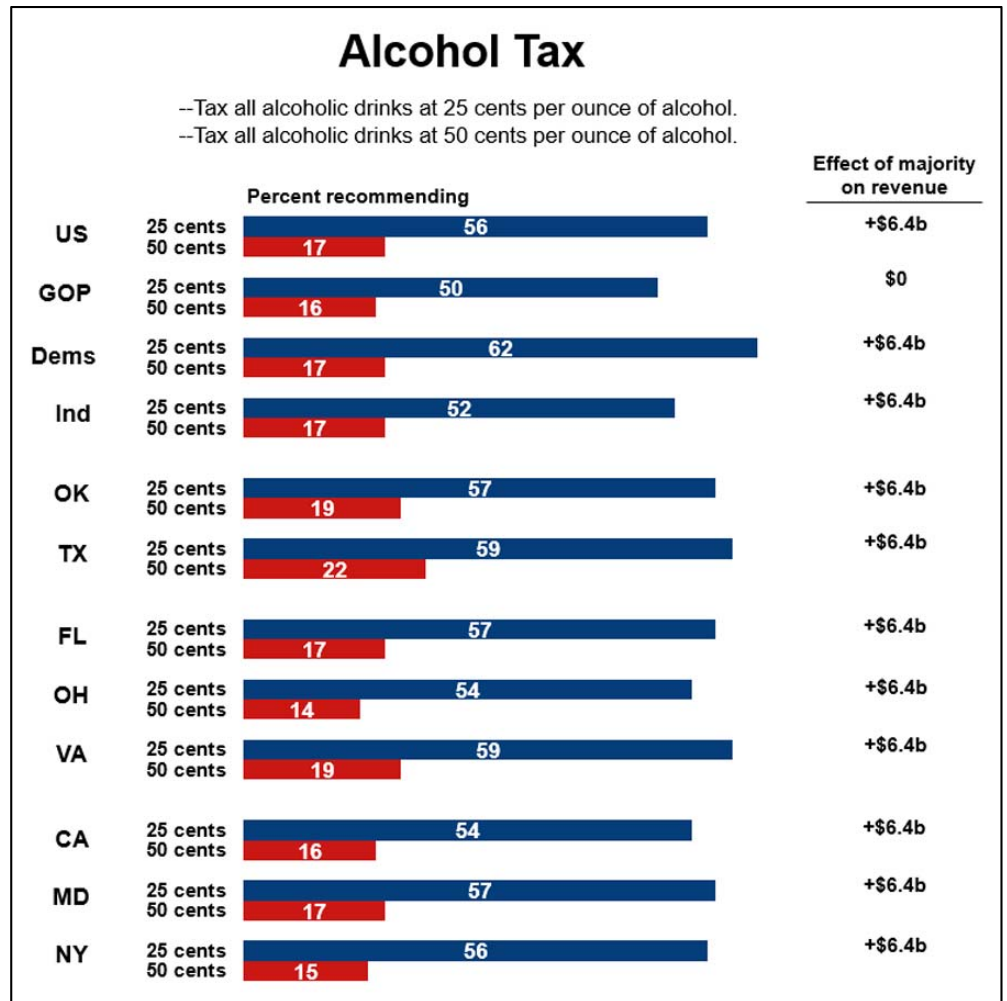
### Alcohol Tax

**A majority recommended an increase in the alcohol tax to 25 cents per ounce for all drinks, generating \$6.4 billion. Half of Republicans agreed.**

Respondents were first told about the current levels of federal taxation of alcoholic drinks.

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.

Then they were offered three positions: leave the alcohol tax as it is; raise it by taxing all alcoholic drinks at 25 cents per ounce of alcohol (generating \$6.4 billion in revenue); or do so at 50 cents an ounce (generating \$12.8 billion).



A majority (56%) supported changes to alcohol taxes such that all alcoholic beverages would be taxed at least at a rate of 25 cents per ounce of alcohol, yielding \$6.4 billion. Thirty-nine percent chose the 25 cent rate, while 17% chose the 50-cent rate.

Three in five Democrats (62%) chose to tax alcohol at least at 25 cents an ounce, raising \$6.4 billion. Forty-five percent chose the 25-cent level and 17% the 50-cent level. Independents were slightly





more reluctant than the full sample, with 52% choosing at least the 25-cent level and 47% opposed. Republicans were divided with 50% opposed, 34% choosing the 25-cent level and 16% the 50-cent level. Among the states, the 25-cent level was chosen in all eight states by majorities ranging from 54% (Ohio, California) to 59% (Texas, Virginia).

## Revenue Increases Recommended by Overall Majority, Less than Half of Republicans

### Carbon Tax

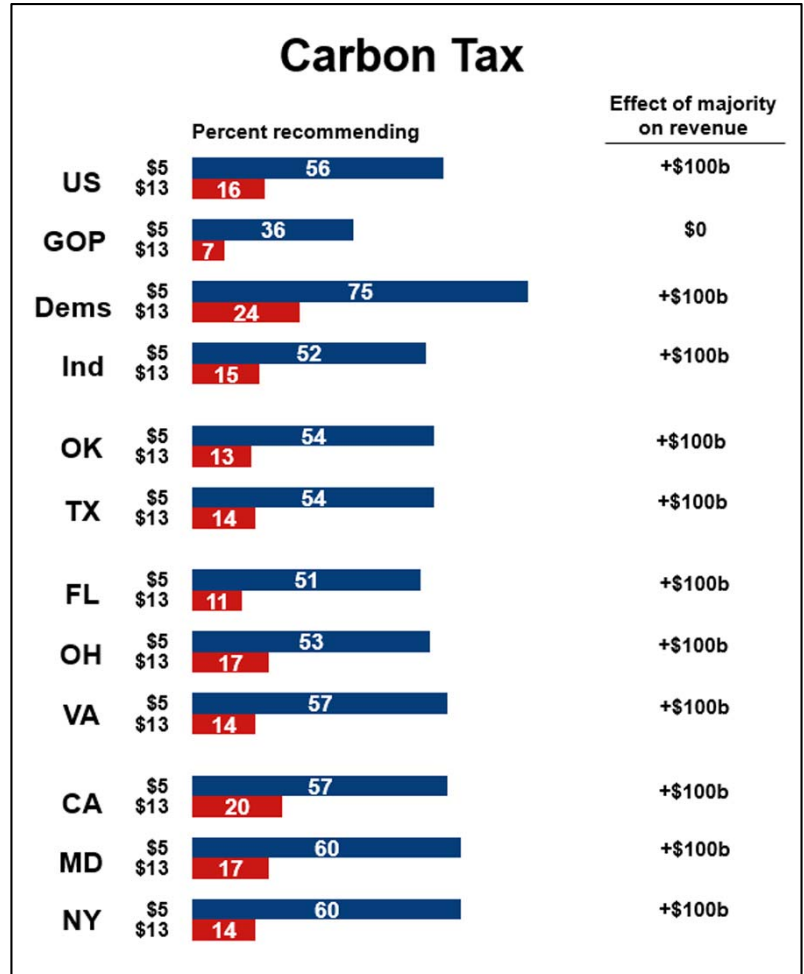
The largest change in revenue overall was from a new carbon tax, based on a proposal modeled by the Congressional Budget Office. A substantial majority recommended a tax on the amount of carbon dioxide that would increase energy costs approximately \$5 a month per person and generate \$100 billion in revenue. Only one in three Republicans supported any level of carbon taxes.

Respondents were presented a tax on carbon dioxide that was modeled by the Congressional Budget Office. It read:

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.

They were then presented three options:

1. Do not have a carbon tax
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 (effect on revenue: \$100 billion)
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 (effect on revenue: \$245 billion)





Overall 56% selected at least a carbon tax that would increase energy costs by \$5 per person per month; 40% expressly selected this and another 16% selected the higher level. Thus a majority chose a tax that would bring in at least \$100 billion toward deficit reduction.

A robust three in four Democrats (75%) approved of a carbon tax at least at the \$5 per person per month level—51% chose the \$5 per person level, while 24% chose the \$13 per person level. A 52% majority of independents adopted at least a \$5 per person tax, with 46% declining to do so.

Among Republicans, 64% did not select either carbon tax; 29% selected the \$5 per person per month level, and 7% the \$13 level.

Among the states, all eight had majorities selecting the \$5 per person per month level or higher, with majorities ranging from 62% (Florida) to 77% (California, Maryland).

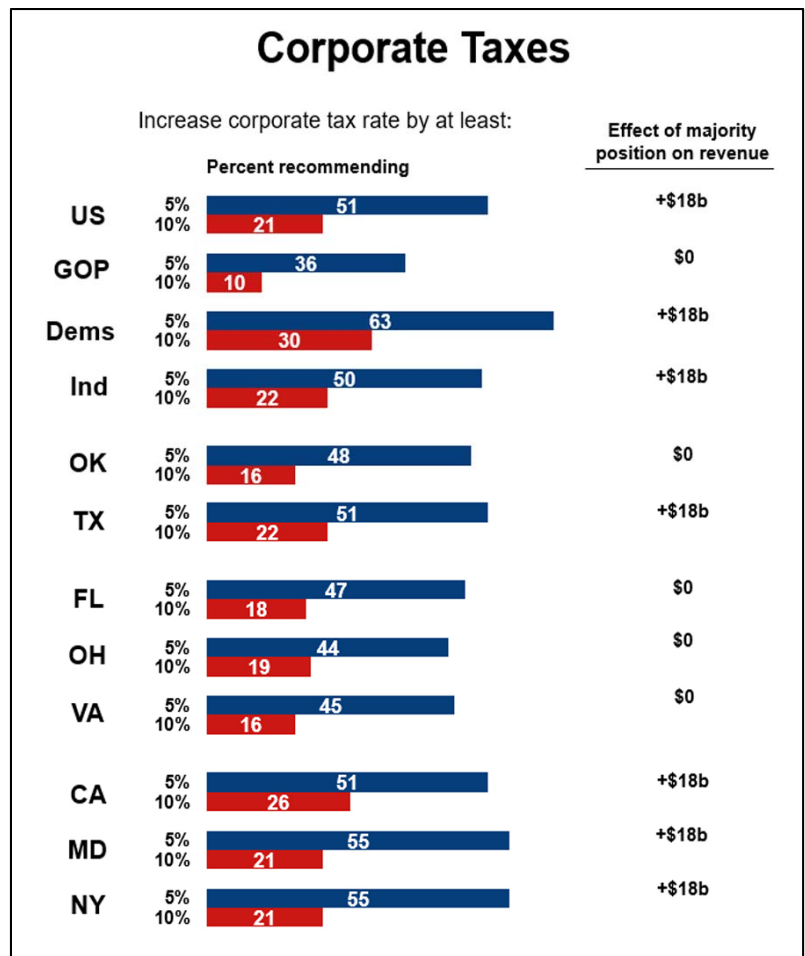
### Corporate Income Tax

**Respondents were given the opportunity to increase or decrease corporate income tax rates by specific amounts. A bare majority overall (and of Democrats) recommended a 5% increase in corporate taxes, generating \$18 billion in revenue. Only one in three Republicans supported any increase in corporate taxes.**

Corporate income taxes were introduced to respondents as follows:

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.

Respondents could keep the effective rate the same, or increase it or decrease it in increments of five percent by as much as 20 percent. The effect this would have on the effective tax rate and the amount of revenue generated was specified at each level. Naturally, decreases in the tax rates





resulted in increases in the budget deficit presented in the bubble that moved with them through the exercise, just as increases in the tax rates resulted in decreases to the deficit.

Fifty-one percent chose to increase the corporate rate by at least 5 percent. Twenty-nine percent selected a 5 percent increase and another 22 percent selected higher levels. A fifth (23%) made no change in the rate, and 25% made some decrease in the rate.

Among Democrats, over three in five (63%) recommended at least a 5 percent increase, with 33% selecting this level and 30% going higher. A fifth (21%) made no change and 14% made some decrease. Fifty percent of independents recommended at least a 5 percent increase.

Among Republicans, just 36% increased the corporate tax rate, while three in five (62%) either made no change in the rate (26%) or lowered it (36%). Among the states, four had majorities increasing the rate by 5 percent or more, ranging from 51% (Texas, California) to 55% (Maryland, New York). Among the four states that did not increase the rate, Ohio was the least supportive of doing so (44%).

### ***Tax on Sugary Drinks***

**A majority overall (and of Democrats) recommended a tax of half a cent per ounce on sugary drinks, generating \$9 billion in revenue. Just under half of Republicans supported this proposal.**

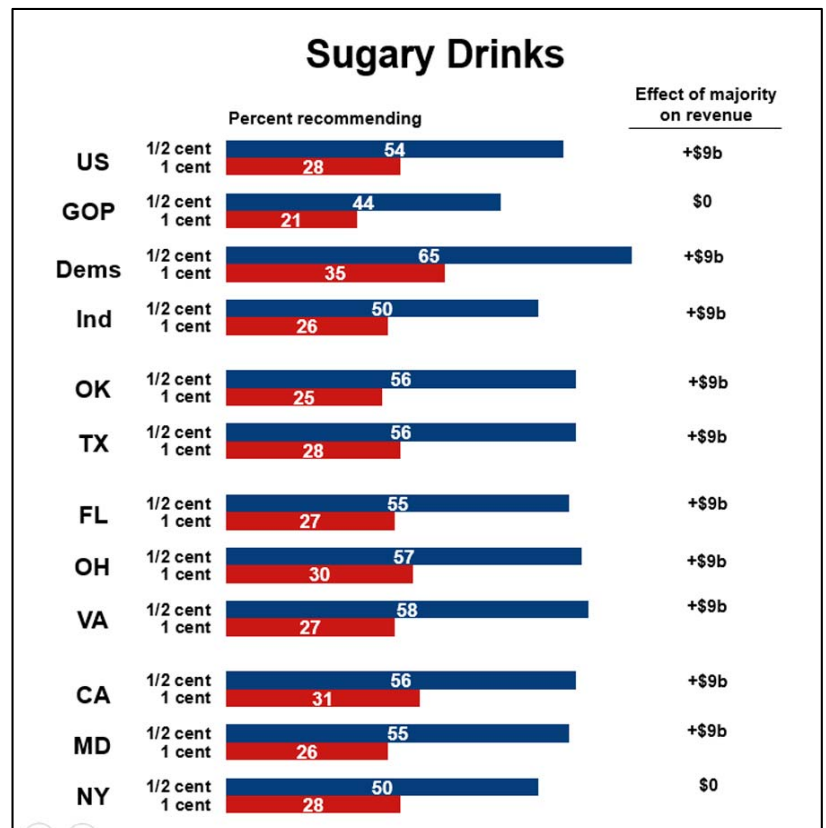
The proposal for a new tax on sugary drinks was presented as follows:

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:

1. Do not tax sugary drinks, -OR-
2. Tax sugary drinks at:  
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) +\$18B
4. 2 cents per ounce (24 cents for a typical 12 oz. can) +\$36B

A majority of 54% recommended a tax of at least a half-cent per ounce: 26% chose the half-cent level, 13% the one-cent level, and 15% the 2-cent level. Forty-five percent recommended not to impose a tax on sugary drinks.

Among Democrats, almost two thirds (65%) recommended a tax, with 30% choosing the half-cent levels and 35%





going higher; 35% recommended no tax. Among independents, half (50%) recommended a half-cent tax (48% were opposed).

Less than half of Republicans—44%—chose to adopt a tax on sugary drinks of at least a half-cent; 55% recommended against a tax. Among the states, support for a half-cent tax or more was lowest in New York (50%) and highest in Virginia (58%).

### ***Financial Transactions Tax***

**A majority overall and of Democrats recommended a tax of 0.01 percent on trades of stocks, bonds, and derivatives, generating \$7 billion in revenue. Just under half of Republicans supported this proposal.**

The idea of a financial transactions tax was presented as follows:

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.

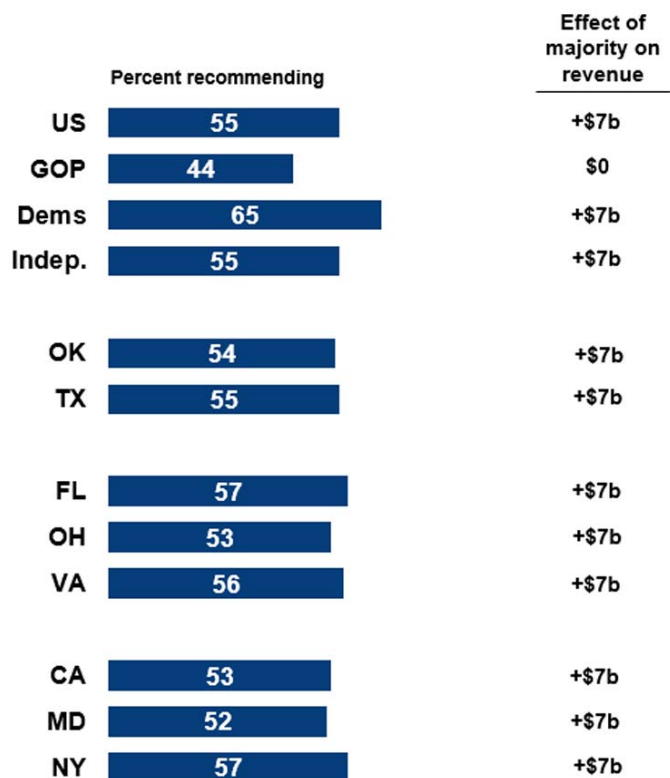
They were also told that this would generate \$7 billion in revenue.

Fifty-five percent recommended a financial transactions tax, while 43% recommended against it. Two thirds of

Democrats (65%) were positive. A modest majority of Republicans were opposed (54%), while 44% favored it. Among the states, the tax was supported by majorities in all eight, with a narrow range of 52-57%.

## **Financial Transactions Tax**

A tax of 0.01% on the sale of stocks, bonds, and derivatives.





<b>Total Revenue Changes for Majority Position</b>	<b>Revenue Generated (billions)</b>	<b>National</b>	<b>GOP</b>	<b>Dems</b>	<b>Indep.</b>
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%-- \$200k-\$500k	+\$12.5	65%	52%	74%	64%
Increase income taxes 5%-- \$500k-\$1 million	+\$6.3	69%	57%	81%	68%
Increase income taxes 5%-- Over \$1 million	+\$15.3	72%	60%	83%	71%
Tax carried interest as ordinary income	+\$1.8	76%	74%	79%	73%
Fee on uninsured debt	+\$6	77%	67%	86%	75%
<b>Revenue:</b>		<b>+\$41.9</b>	<b>+\$41.9</b>	<b>+\$41.9</b>	<b>+\$41.9</b>
<b><i>Additional changes with overall support, majority of one party, half of the other*</i></b>					
Capital gains and dividends— 23.8% to 28%	+\$22	65%	50%	80%	63%
Alcohol tax--\$0.25/oz	+\$6.4	56%	50%	62%	52%
<b>Revenue:</b>		<b>+\$28.4</b>	<b>+\$28.4*</b>	<b>+\$28.4</b>	<b>+\$28.4</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase Income tax 10%--Over \$1 million	+\$15.3	54%	38%	67%	54%
Increase corporate tax rate 5%	+\$18	51%	36%	63%	50%
Transaction fees on stock purchases	+\$7	55%	44%	65%	55%
Carbon tax--\$5 per month	+\$100	56%	36%	75%	52%
Tax on sugary drinks--\$.05/oz	+\$9	54%	45%	65%	50%
<b>Revenue:</b>		<b>+\$149.3</b>		<b>+\$149.3</b>	<b>+\$149.3</b>
<b><i>Additional changes supported by one party</i></b>					
Decrease Income Tax 5%--\$30k- \$40k	-\$1.2	47%	43%	50%	48%
Increase Income taxes 5%-- \$100k-\$200k	+\$13.9	49%	39%	55%	49%
Increase Income taxes 10%-- \$500k-\$1 million	+\$6.3	47%	33%	58%	50%
Tax on bequests	+\$2	39%	25%	52%	36%
<b>Revenue:</b>				<b>+\$21</b>	
<b>Grand total supported by majority (total including support of half)*</b>		<b>+\$219.6</b>	<b>\$41.9 (\$70.3)*</b>	<b>+\$240.6</b>	<b>+\$219.6</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$90.9</b>	<b>\$289.6</b>	<b>\$289.6</b>





## Revenue Increases Not Supported by a Majority

### *Capital Gains on Bequests*

**Three in five rejected a proposal to apply the capital gains tax to bequests after the first \$100,000, which would have generated \$2 billion. Only a bare majority of Democrats were supportive, while Republicans and independents had substantial majorities opposed.**

The proposal was explained to respondents as follows:

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%.

Respondents were told this proposal would provide \$2 billion toward deficit reduction.

Sixty percent recommended against the proposal, while only 39% selected it. Among Republicans this was more lopsided (74% to 25%). Sixty-three percent of independents were also opposed.

Democrats were only weakly supportive, with 52% recommending the proposal and 46% recommending against. Among the states, the proposal was rejected by majorities in all eight, ranging from 54% (New York) to 64% (Texas).

## State Variations on Revenues

All states made choices that raised large amounts of new revenue, ranging from \$186.3 billion in Oklahoma to \$230.8 billion in New York. In between were Ohio and Florida at \$201.6 billion, Virginia at \$215.5 billion, and then Texas, Maryland and California, all at \$219.6 billion. One of the biggest variables was that Texas, New York, Maryland and California all chose to raise the effective rate on corporate income tax by 5 percent, while the other four states did not. Virginia and New York also did more in raising income taxes on higher incomes.

On personal income taxes, five states—Texas, Florida, Ohio, Maryland and California—followed the pattern of the national majority, raising the effective rate by 5 percent for incomes between \$200,000 and \$1 million, and raising it 10 percent for incomes above \$1 million. These choices generated \$49.4 billion. The states raising more were Oklahoma and Virginia (\$63.3 billion—5 percent on incomes of \$100,000-\$200,000); and New York (\$69.6 billion—5 percent on incomes of \$100,000-



\$200,000 and 10 percent on incomes of \$500,000-\$1 million). Oklahoma raised less (\$34.1 billion) because its increase on incomes over \$1 million was 5 rather than 10 percent.

For many of the revenue options, majorities in all eight states agreed. On options more likely to affect the financial sector, all eight states had majorities choosing to tax carried interest as ordinary income, raise the top marginal tax rate on capital gains, charge a fee to very large financial institutions on their uninsured debt, and set a transactions tax on stock purchases. Relative to the environment, all eight states had majorities endorsing a carbon tax at a level of \$5 per person per month, raising \$100 billion in revenue. In excise taxes, all eight states had majority support for an alcohol tax of 25 cents per ounce. All but one had majorities in favor of a tax on sugary drinks of half a cent per ounce—New York was the exception.

Total Revenue Changes for Majority Position	Revenue (billions)	US	NY	MD	CA	VA	OH	FL	TX	OK
Fee on uninsured debt	+\$6	77%	85%	76%	77%	77%	78%	81%	72%	78%
Tax carried interest as ordinary income	+\$1.8	76%	80%	72%	73%	72%	72%	77%	74%	65%
Increase income taxes 5%--Over \$1 million	+\$15.3	72%	73%	78%	73%	72%	71%	72%	71%	67%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	73%	76%	70%	68%	66%	67%	70%	66%
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	68%	64%	66%	66%	64%	66%	62%	62%
Capital gains and dividends—23.8% to 28%	+\$22	65%	72%	66%	65%	66%	65%	65%	60%	63%
Carbon tax--\$5 per month	+\$100	56%	60%	60%	57%	57%	53%	51%	54%	54%
Alcohol tax--\$0.25/oz	+\$6.4	56%	56%	57%	54%	59%	54%	57%	59%	57%
Transaction fees on stock purchases	+\$7	55%	57%	52%	53%	56%	53%	57%	55%	54%
Increase Income tax 10%--Over \$1 million	+\$15.3	54%	56%	55%	55%	56%	52%	50%	53%	45%
Tax on sugary drink--\$.05/oz	+\$9	54%	50%	55%	56%	58%	57%	55%	56%	56%
Increase corporate taxes at least 5%	+\$18	51%	54%	55%	51%	46%	44%	48%	51%	48%
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	51%	47%	48%	52%	47%	47%	49%	51%
Increase income taxes 10%--\$500k-\$1 million	+\$6.3	47%	51%	43%	49%	45%	45%	41%	46%	40%
<b>Total Revenues Generated</b>		<b>\$219.6</b>	<b>\$230.8</b>	<b>\$219.6</b>	<b>\$219.6</b>	<b>\$215.5</b>	<b>\$201.6</b>	<b>\$201.6</b>	<b>\$219.6</b>	<b>\$186.3</b>

<b>Total Deficit Reduction</b>		<b>\$277.6</b>	<b>\$280.8</b>	<b>\$266.6</b>	<b>\$279.6</b>	<b>\$248.5</b>	<b>\$272.6</b>	<b>\$268.6</b>	<b>\$252.6</b>	<b>\$207.3</b>
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## Variations by Supporters of Presidential Candidates

To explore what kind of budget was preferred by supporters of various presidential candidates, a representative subset of the sample was shown the names of all the declared, then-active presidential candidates (Republicans in one column, Democrats in another) and were asked which of these candidates they would vote for if the election were held today. For six candidates, the numbers of respondents formed a large enough sample for analysis: supporters of Carson, Cruz, Rubio, Trump, Clinton and Sanders.

Sanders supporters reduced the deficit by the greatest amount (\$402 billion), primarily through making the deepest cuts in national defense pending (\$141 billion) and the largest revenue increases (\$254 billion). Clinton supporters made the second largest reduction totaling \$285 billion, by making substantial national defense cuts (\$38 billion) and very large revenue increases (\$242 billion).

Cruz supporters stood out in that they made by far the deepest cuts to non-defense spending (\$114 billion) and were the only group to actually make a net reduction in revenues (by \$10 billion). Their total deficit cut was \$105 billion.

Among supporters of Republican candidates the deepest deficit cuts were by Trump supporters with \$51 billion in non-defense cuts, \$7 billion in defense cuts and \$80 billion in revenue increases for a total of \$128.9 billion.

Rubio supporters reduced the deficit by the smallest amount—\$80 billion. They made the lowest levels of spending cuts (\$38 billion) among supporter of Republican candidates and relatively low revenues increases (\$42 billion).

Carson supporters were in the middle of the Republican pack with \$101 billion in deficit cuts, from \$45 billion in non-defense cuts, \$8 billion in defense cuts, and \$48 billion in revenue increases.

See details on pages 56-57.



## APPENDIX

### **State Data: Spending, Revenue and Bipartisan Convergence**

1. Oklahoma.....40
2. Texas.....42
3. Florida.....44
4. Ohio.....46
5. Virginia.....48
6. California.....50
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8. New York.....54

### **Changes to Spending and Revenue Selected by Supporters of Presidential Candidates**

1. Spending.....56
2. Revenues.....57



## Oklahoma

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	Oklahoma	OK GOP	OK Dems
<b><i>Reduced overall and by both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-4	-4	-3
Operations in Afghanistan and Iraq	51	-3	-1	-1	-3
Defense: intelligence	53	-3	-3	-3	-3
Development assistance	11	-1	-1	-3	-1
Military aid	7	-2	-1	-1	-1
ESF: aid to countries of strategic interest	6	-1	-1	-2	-1
State Department	11	-1	-1	-1	-1
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34	-4		-34
Space program	18	-3	-2	-3	
Environment: land management	17	-2	-1	-2	
Global health: medical aid	8	-1	-1	-3	
Science	13		-1	-3	
<b><i>Additional Changes supported by majorities of one party</i></b>					
Education: K-12	32			-1	1
Energy: alternatives, efficiency	3				1
Environment: pollution	9			-1	1
Federal enforcement of federal laws	24	-1		-2	
Higher education	28			-3	2
Homeland Security	48				-1
Housing for elderly and low-income	46			-5	
Humanitarian assistance	6			-1	
Job training	7			-1	
Medical research	33	-1		-3	
Transportation: mass transit	20			-5	
UN and UN peacekeeping	4			-2	
<b><i>Reductions supported by national but not by Oklahomans</i></b>					
Defense: nuclear weapons	19	-1			
<b>Total:</b>	<b>240</b>	<b>-58</b>	<b>-21</b>	<b>-50</b>	<b>-43</b>

### Areas presented, but not modified by Oklahomans:

Transportation: highways; Transportation: air travel and railroads; Federal prison system; Veterans' benefits; Special education for students with disabilities; Subsidies for small farms of 500 acres or less





Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	Oklahoma	Oklahoma GOP	Oklahoma Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	66%	54%	89%
Increase income taxes 5%--over \$1 million	+\$15.3	72%	67%	53%	89%
Tax carried interest as ordinary income	+\$1.8	76%	65%	59%	73%
Fee on uninsured debt	+\$6	77%	78%	68%	88%
Alcohol tax--\$0.25/oz	+\$6.4	56%	57%	51%	64%
<b>Revenue:</b>		<b>+\$35.8</b>	<b>+\$35.8</b>	<b>+\$35.8</b>	<b>+\$35.8</b>
<b><i>Additional changes with overall support, majority of one party, half of the other*</i></b>					
Capital gains and dividends—23.8% to 28%	+\$22	65%	63%	50%	78%
<b>Revenue:</b>		<b>+\$22</b>	<b>+\$22</b>	<b>+\$22*</b>	<b>+\$22</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	62%	39%	90%
Transactions fees on stock purchases	+\$7	55%	54%	46%	64%
Carbon tax--\$5 per month	+\$100	56%	54%	37%	71%
Tax on sugary drinks--\$.05/oz	+\$9	54%	55%	45%	62%
<b>Revenue:</b>		<b>+\$128.5</b>	<b>+\$128.5</b>		<b>+\$128.5</b>
<b><i>Additional changes supported by one party</i></b>					
Increase income tax 10%--\$200k-\$500k	+\$12.6	33%	31%	6%	60%
Increase income tax 15%--\$500k-\$1 million	+\$12.6	27%	31%	8%	57%
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	50%	32%	73%
Increase income taxes 10%--over \$1 million	+\$15.3	54%	45%	21%	74%
Increase income tax 20%--over \$1 million	+\$30.6	27%	30%	4%	59%
Increase corporate tax rate 5%	+\$18	51%	48%	36%	62%
Tax on bequests	+\$2	39%	39%	26%	50%
<b>Revenue:</b>		<b>+\$33.3</b>			<b>+\$105</b>
<b>Grand total supported by majority (total including support of half)*</b>		<b>+\$219.6</b>	<b>+\$186.3</b>	<b>+\$35.8 (+\$57.8)*</b>	<b>+\$291.3</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$207.3</b>	<b>\$85.8</b>	<b>\$334.3</b>



## Texas

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	Texas	Texas GOP	Texas Dems
<b><i>Reduced overall and by both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-3	-4	-2
Operations in Afghanistan and Iraq	51	-3	-2	-1	-6
Military aid	7	-2	-2	-2	-2
ESF: aid to countries of strategic interest	6	-1	-2	-2	-1
State Department	11	-1	-1	-1	-1
<b><i>Additional reductions supported by half of one party</i></b>					
Subsidies to agricultural corporations					-1
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34	-9		-34
Environment: land management	17	-2	-2	-2	
Development assistance	11	-1	-1	-3	-1 <sup>2</sup>
Global health: medical aid	8	-1	-1	-3	
Defense: intelligence	53	-3	-3	0	-3
Housing for elderly and low-income	46		-1	-6	
Medical research	33	-1	-3	-3	
Space program	18	-3	-3	-3	
<b><i>Additional Changes supported by majorities of one party</i></b>					
Defense: nuclear weapons	19	-1			-1
Education: K-12	32			-2	
Higher education	28			-3	2
Energy: alternatives, efficiency	3			-1	2
Environment: pollution	17			-1	+1
Homeland Security	48				-3
Humanitarian assistance	6			-1	
Job training	7			-2	1
Science	13			-3	
Transportation: highways	53			-1	
Transportation: mass transit	20			-2	
UN and UN peacekeeping	4			-2	
<b><i>Reductions supported by national but not by Texans</i></b>					
Federal enforcement of federal laws	19	-1			
<b>Total:</b>		<b>-58</b>	<b>-33</b>	<b>-48</b>	<b>-49</b>

**Areas presented, but not modified by Texans:** Transportation: air travel and railroads; Federal prison system; Veterans' benefits; Special education for students with disabilities; Subsidies for small farms of 500 acres or less

<sup>2</sup> Development assistance was also reduced by half of Democrats



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	Texas	Texas GOP	Texas Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	62%	51%	73%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	70%	60%	83%
Increase income taxes 5%--Over \$1 million	+\$15.3	72%	71%	63%	83%
Tax carried interest as ordinary income	+\$1.8	76%	74%	68%	81%
Fee on uninsured debt	+\$6	77%	72%	67%	79%
Alcohol tax--\$0.25/oz	+\$6.4	56%	59%	55%	62%
<b>Revenue:</b>		<b>+\$48.3</b>	<b>+\$48.3</b>	<b>+\$48.3</b>	<b>+\$48.3</b>
<b><i>Additional changes with overall support, majority of one party, half of the other*</i></b>					
Tax on sugary drinks--\$.05/oz	+\$9	54%	56%	49%	64%
<b>Revenue:</b>		<b>+\$9</b>	<b>+\$9</b>	<b>+\$9*</b>	<b>+\$9</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase income taxes 10%--over \$1 million	+\$15.3	54%	53%	39%	68%
Capital gains and dividends—23.8% to 28%	+\$22	65%	60%	48%	77%
Increase corporate tax rate 5%	+\$18	51%	51%	33%	66%
Transactions fees on stock purchases	+\$7	55%	55%	46%	65%
Carbon tax--\$5 per month	+\$100	56%	54%	40%	72%
<b>Revenue:</b>		<b>+\$162.3</b>	<b>+\$162.3</b>		<b>+\$162.3</b>
<b><i>Additional changes supported by one party</i></b>					
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	49%	35%	58%
Increase Income Tax 10%--\$500k-\$1 million	+\$6.3	47%	46%	31%	57%
<b>Revenue:</b>					<b>+\$20.2</b>
<b>Grand total supported by majority (total including support of half)*</b>		<b>+\$219.6</b>	<b>+\$219.6</b>	<b>+\$48.3 (+\$57.3)*</b>	<b>+\$239.8</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$252.6</b>	<b>\$96.3</b>	<b>\$286.8</b>



## Florida

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	Florida	Florida GOP	Florida Dems
<b><i>Reduced overall and by both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-4	-4	-2
Operations in Afghanistan and Iraq	51	-3	-6	-2	-4
Space program	18	-3	-3	-3	-2
Military aid	7	-2	-2	-2	-1
ESF: aid to countries of strategic interest	6	-1	-2	-2	-1
State Department	11	-1	-1	-2	-1
<b><i>Additional reductions supported by half of one party</i></b>					
Subsidies to agricultural corporations					-1
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34	-34		-34
Defense: intelligence	53	-3	-3		-3
Environment: land management	17	-2	-2	-3	
Federal enforcement of federal laws	24	-1	-1	-1 <sup>3</sup>	-2
Defense: nuclear weapons	19	-1	-1		-2
Development assistance	11	-1	-1	-4	
Global health: medical aid	8	-1	-2	-3	
Housing for elderly and low-income	46		-1	-6	
Science	13		-1	-3	
Transportation: highways	53		-1	-3	
UN and UN peacekeeping	4		-1	-2	
Federal prison system	7		-1		-1
<b><i>Additional Changes supported by majorities of one party</i></b>					
Higher education	28			-6	
Education: K-12	32			-4	1
Environment: pollution	9			-2	
Transportation: mass transit	20			-2	
Medical research	33	-1		-3	
Special education: students w/ disabilities	13			-1	
Homeland Security	48				-1
Veterans' benefits	166			1	
Humanitarian assistance	6			-1	
Job training	7			-1	1
Energy: alternatives, efficiency	3				1
<b>Total:</b>		<b>-58</b>	<b>-67</b>	<b>-59</b>	<b>-52</b>

**Areas presented, but not modified by Floridians:** Transportation: air travel and railroads; Subsidies to small farmers

<sup>3</sup> Enforcement of federal laws was also reduced by half of Republicans



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	Florida	Florida GOP	Florida Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	66%	54%	72%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	67%	62%	74%
Increase income taxes 5%--Over \$1 million	+\$15.3	72%	72%	65%	77%
Tax carried interest as ordinary income	+\$1.8	76%	77%	76%	75%
Fee on uninsured debt	+\$6	77%	81%	73%	84%
Alcohol tax--\$0.25/oz	+\$6.4	56%	57%	54%	63%
<b>Total</b>		<b>+\$48.3</b>	<b>+\$48.3</b>	<b>+\$48.3</b>	<b>+\$48.3</b>
<b><i>Additional changes with overall support, majority of one party, half of the other*</i></b>					
Capital gains and dividends—23.8% to 28%	+\$22	65%	65%	50%	78%
<b>Total</b>		<b>+\$22</b>	<b>+\$22</b>	<b>+\$22*</b>	<b>+\$22</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase income taxes 10%--over \$1 million	+\$15.3	54%	50%	42%	58%
Transactions fees on stock purchases	+\$7	55%	57%	45%	69%
Carbon tax--\$5 per month	+\$100	56%	58%	37%	76%
Tax on sugary drinks--\$.05/oz	+\$9	54%	55%	49%	62%
<b>Total</b>		<b>+\$131.3</b>	<b>+\$131.3</b>		<b>+\$131.3</b>
<b><i>Additional changes supported by one party</i></b>					
Decrease income taxes 5%--\$30k-\$40k	-\$1.2	47%	49%	51%	46%
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	47%	41%	51%
Increase corporate tax rate 5%	+\$18	51%	48%	34%	58%
Tax on bequests	+\$2	39%	38%	21%	56%
<b>Total</b>		<b>+\$18</b>		<b>-\$1.2</b>	<b>+\$33.9</b>
<b>Grand total supported by majority (total including support of half)*</b>		<b>+\$219.6</b>	<b>+\$201.6</b>	<b>+\$47.1 (+\$69.1)*</b>	<b>+\$235.5</b>

<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$268.6</b>	<b>\$105.1</b>	<b>\$286.5</b>
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## Ohio

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	Ohio	Ohio GOP	Ohio Dems
<b><i>Reduced overall and by both parties</i></b>					
Defense: general operations	534	-34	-34	-9	-34
Subsidies to agricultural corporations	9	-4	-4	-4	-4
Operations in Afghanistan and Iraq	51	-3	-3	-1	-3
Defense: intelligence	53	-3	-3	-3	-3
Space program	18	-3	-3	-3	-3
Military aid	7	-2	-2	-2	-2
ESF: aid to countries of strategic interest	6	-1	-2	-2	-1
Federal enforcement of federal laws	24	-1	-2	-1	-1
State Department	11	-1	-1	-1	-1
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Environment: land management	17	-2	-2	-2	
Education: K-12	32		-2	-3	
Defense: nuclear weapons	19	-1	-2		-2
Development assistance	11	-1	-1	-3	-1 <sup>4</sup>
Global health: medical aid	8	-1	-2	-3	
Science	13		-2	-3	
Medical research	33	-1	-3	-3	
Transportation: mass transit	20		-1	-4	
<b><i>Additional Changes supported by majorities of one party</i></b>					
Energy: alternatives, efficiency	3				2
Environment: pollution	9			-1	1
Higher education	28			-3	1
Housing for elderly and low-income	46		-1	-3	
Humanitarian assistance	6		-1	-1	
UN and UN peacekeeping	4			-2	
<b>Total:</b>		<b>-58</b>	<b>-71</b>	<b>-57</b>	<b>-50</b>

### Areas presented, but not modified by Ohioans:

Transportation: highways; Transportation: air travel and railroads; Federal prison; system; Homeland Security; Veterans' benefits; Special education for students with disabilities; Job training; Subsidies for small farms of 500 acres or less

<sup>4</sup> Development assistance was also reduced by half of Democrats



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	Ohio	Ohio GOP	Ohio Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	64%	62%	68%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	66%	61%	74%
Increase income taxes 5%--over \$1 million	+\$15.3	72%	71%	66%	77%
Tax carried interest as ordinary income	+\$1.8	76%	72%	73%	72%
Capital gains and dividends—23.8% to 28%	+\$22	65%	65%	62%	72%
Fee on uninsured debt	+\$6	77%	78%	66%	90%
Alcohol tax--\$0.25/oz	+\$6.4	56%	54%	58%	63%
Tax on sugary drinks--\$.05/oz	+\$9	54%	57%	58%	60%
<b>Revenue:</b>		<b>+\$79.3</b>	<b>+\$79.3</b>	<b>+\$79.3</b>	<b>+\$79.3</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase income taxes 10%--over \$1 million	+\$15.3	54%	52%	42%	63%
Transactions fees on stock purchases	+\$7	55%	53%	41%	60%
Carbon tax--\$5 per month	+\$100	56%	53%	40%	67%
<b>Revenue:</b>		<b>+\$122.3</b>	<b>+\$122.3</b>		<b>+\$122.3</b>
<b><i>Additional changes supported by one party</i></b>					
Increase Income Tax 5%--\$100k-\$200k	+\$13.9	49%	47%	44%	50%
Increase Income Tax 10%--\$500k-\$1 million	+\$6.3	47%	45%	34%	55%
Increase corporate tax rate 5%	+\$18	51%	44%	35%	51%
<b>Revenue:</b>		<b>+\$18</b>			<b>+\$38.2</b>
<b>Grand total supported by majority</b>		<b>+\$219.6</b>	<b>+\$201.6</b>	<b>+\$79.3</b>	<b>+\$239.8</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$272.6</b>	<b>\$136.3</b>	<b>\$289.8</b>



## Virginia

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	Virginia	Virginia GOP	Virginia Dems
<b>Reduced overall and by both parties</b>					
Subsidies to agricultural corporations	9	-4	-3	-4	-2
Operations in Afghanistan and Iraq	51	-3	-1	-1	-6
Defense: intelligence	53	-3	-3	-2	-3
Development assistance	11	-1	-2	-3	-1
Military aid	7	-2	-2	-1	-2
ESF: aid to countries of strategic interest	6	-1	-1	-2	-1
State Department	11	-1	-1	-1	-1
<b>Additional reductions supported by half of one party</b>					
Defense: intelligence	11			-1 <sup>5</sup>	
<b>Additional Reductions with overall support and by majorities of one party</b>					
Defense: general operations	534	-34	-9		-34
Defense: nuclear weapons	19	-1	-1		-1
Environment: land management	17	-2	-2	-2	
Federal enforcement of federal laws	24	-1	-1	-1	
Global health: medical aid	8	-1	-1	-3	
Homeland Security	48		-1		-3
Housing for elderly and low-income	46		-1	-6	
Medical research	33	-1	-1	-3	
Science	13		-1	-3	
Space program	18	-3	-2	-3	
<b>Additional Changes supported by majorities of one party</b>					
Education: K-12	32			-2	
Higher education	28			-3	2
Energy: alternatives, efficiency	3			-1	2
Environment: pollution	9			-1	1
Humanitarian assistance	6			-1	
Job training	7			-1	1
Transportation: highways	53				
Transportation: mass transit	20			-2	
UN and UN peacekeeping	4			-1	
<b>Total:</b>		<b>-58</b>	<b>-33</b>	<b>-47</b>	<b>-49</b>

### Areas presented, but not modified by Virginians:

Transportation: air travel and railroads; Federal prison system; Veterans' benefits; Special education for students with disabilities; Subsidies for small farms of 500 acres or less

<sup>5</sup> Defense: intelligence was also reduced by half of Republicans



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	Virginia	Virginia GOP	Virginia Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	66%	62%	69%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	68%	61%	75%
Increase income taxes 5%--over \$1 million	+\$15.3	72%	72%	65%	83%
Tax carried interest as ordinary income	+\$1.8	76%	72%	72%	75%
Capital gains and dividends—23.8% to 28%	+\$22	65%	66%	52%	79%
Fee on uninsured debt	+\$6	77%	77%	75%	83%
Alcohol tax--\$0.25/oz	+\$6.4	56%	59%	59%	59%
<b>Revenue:</b>		<b>+\$70.3</b>	<b>+\$70.3</b>	<b>+\$70.3</b>	<b>+\$70.3</b>
<b><i>Additional changes with overall support, majority of one party, half of the other*</i></b>					
Transactions fees on stock purchases	+\$7	55%	56%	50%	62%
<b>Revenue:</b>		<b>+\$7</b>	<b>+\$7</b>	<b>+\$7*</b>	<b>+\$7</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	52%	42%	60%
Increase income taxes 10%--over \$1 million	+\$15.3	54%	56%	47%	65%
Carbon tax--\$5 per month	+\$100	56%	57%	43%	70%
Tax on sugary drinks--\$.05/oz	+\$9	54%	58%	47%	67%
<b>Revenue:</b>		<b>+\$124.3</b>	<b>+\$138.2</b>		<b>+\$138.2</b>
<b><i>Additional changes supported by one party</i></b>					
Increase corporate tax rate 5%	+\$18	51%	46%	35%	57%
<b>Revenue:</b>		<b>+\$18</b>			<b>+\$18</b>
<b>Grand total supported by majority total including support of half)*</b>		<b>+\$219.6</b>	<b>+\$215.5</b>	<b>+\$70.3 (+\$77.3)*</b>	<b>+\$233.5</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$248.5</b>	<b>\$117.3</b>	<b>\$282.5</b>



## California

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	California	CA GOP	CA Dems
<b><i>Reduced overall and by both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-4	-4	-4
Operations in Afghanistan and Iraq	51	-3	-6	-1	-7
Defense: intelligence	53	-3	-3	-2	-3
Military aid	7	-2	-2	-1	-2
Development assistance	11	-1	-1	-4	-1
ESF: aid to countries of strategic interest	6	-1	-1	-2	-1
Federal enforcement of federal laws	24	-1	-2	-1	-2
<b><i>Additional reductions supported by half of one party</i></b>					
Federal enforcement of federal laws				-1	
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34	-34		-34
Homeland Security	48		-3		-3
Space program	18	-3	-1	-3	
Defense: nuclear weapons	19	-1	-1		-1
Global health: medical aid	8	-1	-1	-3	
Medical research	33	-1	-1	-3	
State Department	11	-1	-1	-1	
<b><i>Additional Changes supported by majorities of one party</i></b>					
Education: K-12	32			-2	+3
Energy: alternatives, efficiency	3		+1	-1	+2
Environment: land management	17	-2		-2	
Environment: pollution	9			-1	+1
Higher education	28			-8	+2
Housing for elderly and low-income	46			-6	
Humanitarian assistance	6			-1	
Job training	7			-1	+1
Science	13			-2	
Special education: students with disabilities	13			-1	+1
Subsidies to small farmers	3				+1
Transportation: highways	53			-2	
Transportation: mass transit	20			-5	
UN and UN peacekeeping	4			-2	
<b>Total:</b>		<b>-58</b>	<b>-60</b>	<b>-60</b>	<b>-47</b>

**Areas presented, but not modified by Californians:** Transportation: air travel and railroads; Federal prison system; Veteran's benefits



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	California	California GOP	California Democrats
<b><i>Bipartisan convergence</i></b>					
Increase Income Tax 5%--\$200k-\$500k	+\$12.5	65%	66%	50%	78%
Increase Income Tax 5%--\$500k-\$1 million	+\$6.3	69%	70%	52%	81%
Increase income taxes 5%--Over \$1 million	+\$15.3	72%	73%	59%	85%
Tax carried interest as ordinary income	+\$1.8	76%	73%	68%	80%
Fee on uninsured debt	+\$6	77%	77%	64%	86%
<b>Revenue:</b>		<b>+\$41.9</b>	<b>+\$41.9</b>	<b>+\$41.9</b>	<b>+\$41.9</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase Income Tax 10%--over \$1 million	+\$15.3	54%	55%	40%	67%
Increase corporate tax rate 5%	+\$18	51%	51%	38%	60%
Capital gains and dividends—23.8% to 28%	+\$22	65%	65%	47%	78%
Transactions fees on stock purchases	+\$7	55%	53%	37%	64%
Carbon tax--\$5 per month	+\$100	56%	58%	32%	79%
Alcohol tax--\$0.25/oz	+\$6.4	56%	54%	45%	67%
Tax on sugary drinks--\$.05/oz	+\$9	54%	56%	37%	69%
<b>Revenue:</b>		<b>+\$177.7</b>	<b>+\$177.7</b>		<b>+\$177.7</b>
<b><i>Additional changes supported by one party</i></b>					
Increase Income Tax 5%--\$100k-\$200k	+\$13.9	49%	48%	40%	57%
Increase Income Tax 10%--\$500k-\$1 million	+\$6.3	47%	49%	32%	59%
Increase Income Tax 15%--over \$1 million	+\$15.3	38%	39%	24%	52%
Decrease Income Tax 5%--\$30k-\$40k	-\$1.2	47%	48%	43%	51%
Tax on bequests	+\$2	39%	36%	22%	51%
<b>Revenue</b>					<b>+\$36.3</b>
<b>Grand total supported by majority</b>		<b>+\$219.6</b>	<b>+\$219.6</b>	<b>+\$41.9</b>	<b>+\$255.9</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$279.6</b>	<b>\$100.9</b>	<b>\$302.9</b>





## Maryland

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	Maryland	Maryland GOP	Maryland Dems
<b><i>Reduced overall and by both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-2	-3	-2
Operations in Afghanistan and Iraq	51	-3	-2	-1	-3
Defense: intelligence	53	-3	-3	-1	-3
Space program	18	-3	-2	-3	-1
Military aid	7	-2	-1	-1	-2
ESF: aid to countries of strategic interest	6	-1	-1	-2	-1
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34	-34		-34
Development assistance	11	-1	-1	-3	
State Department	11	-1	-1	-1	
<b><i>Additional Changes supported by majorities of one party</i></b>					
Housing for elderly and low-income	46			-6	
Higher education	28			-3	
Education: K-12	32			-2	
Energy: alternatives, efficiency	3				1
Environment: land management	17	-2		-2	
Environment: pollution	9				1
Global health: medical aid	8	-1		-2	
Humanitarian assistance	6			-1	
Job training	7			-1	1
Medical research	33	-1		-1	
Science	13			-1	
Transportation: highways	53			-1	
UN and UN peacekeeping	4			-1	
<b>Total:</b>		<b>-58</b>	<b>-47</b>	<b>-36</b>	<b>-43</b>

**Areas presented, but not modified by Marylanders:** Transportation: air travel and railroads; Subsidies to small farmers; Defense: nuclear weapons; Federal enforcement of federal laws; Federal prison system; Homeland Security ; Veterans' benefits; Special education for students with disabilities; Transportation: mass transit



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	Maryland	Maryland GOP	Maryland Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	64%	70%	67%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	76%	82%	80%
Increase income taxes 10%--over \$1 million	+\$30.6	54%	55%	58%	56%
Tax carried interest as ordinary income	+\$1.8	76%	72%	72%	76%
Capital gains and dividends—23.8% to 28%	+\$22	65%	66%	51%	77%
Fee on uninsured debt	+\$6	77%	76%	70%	83%
<b>Revenue:</b>		<b>+\$79.2</b>	<b>+\$79.2</b>	<b>+\$79.2</b>	<b>+\$79.2</b>
<b><i>Additional changes with overall support, majority of one party, half of the other*</i></b>					
Alcohol tax--\$0.25/oz	+\$6.4	56%	57%	49%	60%
<b>Revenue:</b>		<b>+\$6.4</b>	<b>+\$6.4</b>	<b>+\$6.4*</b>	<b>+\$6.4</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase corporate tax rate 5%	+\$18	51%	55%	40%	64%
Transactions fees on stock purchases	+\$7	55%	52%	39%	61%
Carbon tax--\$5 per month	+\$100	56%	60%	40%	74%
Tax on sugary drinks--\$.05/oz	+\$9	54%	56%	44%	62%
<b>Revenue:</b>		<b>+\$134</b>	<b>+\$134</b>		<b>+\$134</b>
<b><i>Areas modified by both parties, but not by the state overall**</i></b>					
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	47%	51%	55%
<b>Revenue:</b>				<b>+\$13.9</b>	<b>+\$13.9</b>
<b>Grand total supported by majority (total including support of half)*</b>		<b>+\$219.6</b>	<b>+\$219.6</b>	<b>+\$93.1 (+\$99.5)*</b>	<b>+\$233.5</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$266.6</b>	<b>\$129.1</b>	<b>\$276.5</b>

\*\*Only supported by 25% of independents



## New York

Budget Areas Modified by Majorities	Budgeted (billions)	Natl	New York	New York GOP	New York Dems
<b><i>Reduced overall and by both parties</i></b>					
Subsidies to agricultural corporations	9	-4	-2	-2	-2
Operations in Afghanistan and Iraq	51	-3	-6	-1	-6
Defense: intelligence	53	-3	-3	-3	-3
Military aid	7	-2	-1	-2	-1
ESF: aid to countries of strategic interest	6	-1	-1	-2	-1
State Department	11	-1	-1	-1	-1
<b><i>Additional Reductions with overall support and by majorities of one party</i></b>					
Defense: general operations	534	-34	-34		-34
Space program	18	-3	-3	-3	
Development assistance	11	-1	-1	-3	
<b><i>Increased with overall support and by majorities of one party</i></b>					
Energy: alternatives, efficiency	3		2		2
<b><i>Additional Changes supported by majorities of one party</i></b>					
Education: K-12	32			-2	
Higher education	28			-3	2
Special education, students w/ disabilities	13				1
Environment: land management	17	-2		-2	
Environment: pollution	9			-1	1
Global health: medical aid	8	-1		-2	
Homeland Security	48			1	
Housing for elderly and low-income	46			-2	
Humanitarian assistance	6			-1	
Job training	7				3
Medical research	33	-1		-3	
Science	13			-1	
Subsidies for small farms <500 acres	3				1
UN and UN peacekeeping	4			-1	
Veterans' benefits	166			4	
<b><i>Reductions supported by national but not by New Yorkers</i></b>					
Defense: nuclear weapons	19	-1			
<b>Total:</b>		<b>-58</b>	<b>-50</b>	<b>-30</b>	<b>-38</b>

**Areas presented, but not modified by New Yorkers:** Transportation: air travel and railroads; Transportation: highways; Transportation: mass transit; Federal enforcement of federal laws; Federal prison system



Total Revenue Changes for Majority Position	Revenue Generated (billions)	National	New York	New York GOP	New York Democrats
<b><i>Bipartisan convergence</i></b>					
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	68%	61%	70%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	73%	70%	76%
Increase income taxes 5%--over \$1 million	+\$15.3	72%	73%	70%	74%
Tax carried interest as ordinary income	+\$1.8	76%	80%	71%	81%
Capital gains and dividends—23.8% to 28%	+\$22	65%	72%	60%	78%
Fee on uninsured debt	+\$6	77%	85%	78%	86%
<b>Revenue:</b>		<b>+\$63.9</b>	<b>+\$63.9</b>	<b>+\$63.9</b>	<b>+\$63.9</b>
<b><i>Additional changes with overall support, and one party</i></b>					
Increase income taxes 5%--\$100k-\$200k	+\$13.9	49%	51%	48%	51%
Increase income taxes 10%--\$500k-\$1 million	+\$6.3	47%	51%	41%	52%
Increase income taxes 10%--over \$1 million	+\$15.3	54%	56%	35%	61%
Increase corporate tax rate 5%	+\$18	51%	55%	33%	60%
Transactions fees on stock purchases	+\$7	55%	57%	44%	62%
Carbon tax--\$5 per month	+\$100	56%	60%	32%	76%
Alcohol tax--\$.025/oz	+\$6.4	56%	56%	41%	63%
<b>Revenue:</b>		<b>+\$146.7</b>	<b>+\$166.9</b>		<b>+\$166.9</b>
<b><i>Additional changes supported by one party</i></b>					
Decrease Income Tax 5%--\$30k-\$40k	-\$1.2	47%	47%	43%	51%
Tax bequests	+\$2	39%	44%	28%	55%
Tax on sugary drinks--\$.05/oz	+\$9	54%	50%	44%	59%
<b>Revenue:</b>		<b>+\$219.6</b>			<b>+\$9.8</b>
<b>Grand total supported by majority</b>		<b>+\$219.6</b>	<b>+\$230.8</b>	<b>+\$63.9</b>	<b>+\$240.6</b>
<b>Total deficit reduction</b>		<b>\$277.6</b>	<b>\$280.8</b>	<b>\$93.9</b>	<b>\$278.6</b>



## Changes to Spending Selected by Supporters of Presidential Candidates

Budget Areas Modified by Majorities	Budgeted (billions)	US	Sanders	Clinton	Trump	Carson	Rubio	Cruz
<b>Defense</b>								
Defense: general operations	534	-34	-134	-34	-4	-4	0	0
Defense: intelligence	53	-3	-3	-3	-3	-3	0	-0.5
Defense: nuclear weapons	19	-1	-4	-1	0	-1	0	0
<b>Net Total:</b>		<b>-38</b>	<b>-141</b>	<b>-38</b>	<b>-7</b>	<b>-8</b>	<b>0</b>	<b>-0.5</b>
<b>Non-Defense</b>								
Subsidies to agricultural corporations	9	-4	-5	-4	-4	-3.5	-4	-7
Operations in Afghanistan and Iraq	51	-3	-11	-3	-1	-1	0	0
Space program	18	-3	0	-1	-3	-3	-3	-3
Environment: land management	17	-2	0	0	-2	-2	-2	-7
Military aid	7	-2	-2	-2	-2	-1	-1	-1
ESF: aid to countries of strategic interest	6	-1	-1	-1	-3	-1.2	-2	-3
Federal enforcement of federal laws	24	-1	-4	0	-1	0	0	-2
State Department	11	-1	0	0	-1	-1	-1	-2
Development assistance	11	-1	0	0	-5	-3	-2	-6
Global health: medical aid	8	-1	0	0	-3	-3	-2	-3
Medical research	33	-1	0	0	-3	-3	-3	-13
Education: K-12	32	0	+3	0	-2	-2	-2	-12
Energy: alternatives, efficiency	3	0	+2.5	+2	0	-1	-1	-2
Environment: pollution	9	0	+1	+1	-1	-1	-1	-4
Higher education	28	0	+2	+2	-3	-3	-3	-13
Homeland Security	48	0	-6	0	0	0	0	0
Housing for elderly and low-income	46	0	+2	0	-6	-6	-4	-11
Humanitarian assistance	6	0	0	0	-2	-1	-1	-2
Job training	7	0	+2	+1	-1	-1	-1	-2
Science	13	0	+2	0	-3	-3	-2	-3
Transportation: highways	53	0	+2	0	-1	-3	0	-3
Transportation: mass transit	20	0	0	0	-2	-1.5	-2	-8
Transportation: air and rail	25	0	0	0	0	0	0	-2.2
Special education	13	0	+1	0	0	0	0	-3
Subsidies to small farmers	3	0	+1	0	0	0	0	0
Veterans' benefits	166	0	+4	0	0	0	0	+1
UN and UN peacekeeping	4	0	0	0	-2	-1	-1	-3
<b>Net Total:</b>		<b>-20</b>	<b>-6.5</b>	<b>-5</b>	<b>-51</b>	<b>-45.2</b>	<b>-38</b>	<b>-114.2</b>

**Not modified by any group of supporters:** Federal prison system



## Changes to Revenue Selected by Supporters of Presidential Candidates

Total Revenue Changes for Majority Position	Revenue (billions)	US	Sanders	Clinton	Carson	Trump	Rubio	Cruz
Fee on uninsured debt	+\$6	77%	95%	87%	74%	69%	69%	57%
Tax carried interest as ordinary income	+\$1.8	76%	88%	80%	76%	72%	78%	73%
Increase income taxes 5%--Over \$1 million	+\$15.3	72%	92%	84%	62%	64%	64%	37%
Increase income taxes 5%--\$500k-\$1 million	+\$6.3	69%	92%	82%	61%	61%	56%	37%
Increase income taxes 5%--\$200k-\$500k	+\$12.5	65%	85%	76%	54%	58%	54%	29%
Capital Gains and dividends—23.8% to 28%	+\$22	65%	89%	80%	50%	51%	44%	29%
Carbon tax--\$6 per month	+\$100	56%	84%	77%	36%	41%	40%	11%
Alcohol tax--\$0.25/oz	+\$6.4	55%	52%	63%	53%	49%	50%	35%
Transaction fees on stock purchases	+\$7	55%	72%	62%	43%	52%	38%	32%
Increase Income tax 10%--Over \$1 million	+\$15.3	54%	78%	66%	32%	46%	40%	20%
Tax on sugary drink--\$.05/oz	+\$9	54%	71%	65%	47%	47%	45%	25%
Increase corporate taxes at least 5%	+\$18	51%	73%	62%	39%	40%	32%	21%
Decrease income taxes 5%--\$30k-\$40k	-\$1.2	47%	59%	46%	42%	47%	39%	37%
Increase income taxes 5%--\$100k-\$200k	+\$13.9	47%	61%	56%	43%	43%	38%	25%
Increase income taxes 10%--\$500k-\$1 million	+\$6.3	47%	68%	58%	30%	40%	35%	15%
Decrease income taxes 5%--\$40k-\$50k	-\$1.6	43%	55%	43%	39%	45%	38%	37%
Tax on bequests	+\$2	39%	55%	53%	30%	29%	20%	12%
Increase income taxes 15%--Over \$1 million	+\$15.3	38%	59%	48%	21%	32%	22%	9%
Decrease corporate taxes at least 5%	-\$18	24%	9%	13%	30%	30%	39%	59%
<b>Total Revenues Generated</b>		+\$219.6	+\$254.3	+\$241.8	+\$48.3	+\$70.9	+\$41.9	-\$10.2

<b>Total Deficit Reduction</b>		\$277.6	\$401.8	\$284.8	\$101.5	\$128.9	\$79.9	\$104.5
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**Voice Of the People** is a non-partisan organization that seeks to re-anchor our democracy in its founding principles by giving ‘We the People’ a greater role in government. VOP furthers the use of innovative methods and technology to give the American people a more effective voice in the policymaking process.

VOP is working to urge Congress to take these new methods to scale so that Members of Congress have a large, scientifically-selected, representative sample of their constituents—called a Citizen Cabinet—to be consulted on current issues and providing a voice that accurately reflects the values and priorities of their district or state.



## PROGRAM FOR PUBLIC CONSULTATION

SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

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