

TO: Interested Parties
FROM: Hart Research and ALG Research
DATE: July 23, 2021
RE: Virginia Survey on Biden Tax Proposals

From July 10 to 14, 2021, Hart Research Associates and ALG Research conducted a telephone survey among 505 registered voters in Virginia on behalf of Americans for Tax Fairness (ATF). The survey's margin of error is ± 4.5 percentage points. This memo reviews the survey's key findings.

OVERVIEW:

- **Ensuring that the wealthy and corporations pay their fair share in taxes is a top priority for Virginia voters today, even ahead of important goals like rebuilding infrastructure or expanding access to elder care.**
- **Two-thirds (68%) of voters in Virginia see the progressive revenue measures in President Biden's American Families Plan as a strong reason to support the plan.**
- **Biden's proposals to raise taxes on those making over \$400,000 meet with wide approval (72% support) in Virginia, including his proposal to tax capital gains at the same rate as income from wages (63% support). Voters believe that raising taxes on those earning \$400,000 or more will help the economy by a 38-point margin.**
- **Increasing the corporate tax rate to 28% is embraced by 59% of Virginia voters, who also favor taxing foreign profits at 28% (68% support), setting a minimum corporate tax rate of 15%, and taxing stock buybacks.**
- **The voters of Virginia would go even further than President Biden in raising taxes on the wealthy, embracing proposals to establish a wealth tax (70% support), expand the estate tax (60% support), and eliminate "dynasty trusts."**
- **Swing voters in next year's congressional election are particularly motivated by tax fairness concerns, and consistently support progressive tax policies at a higher level than the electorate overall.**

DETAILED FINDINGS:

Ensuring that the wealthy and corporations pay their fair share in taxes is a top priority for Virginia voters today, even ahead of important goals like rebuilding infrastructure or expanding access to affordable long-term care.

- **Two in five (40%) voters in Virginia believe that ensuring that the wealthy and corporations pay their fair share in taxes is an extremely important priority today. This matches voters' commitment to creating jobs (39%) and exceeds the proportions who feel that rebuilding infrastructure (33%), making housing more**

affordable (31%), or expanding access to affordable care for the elderly (30%) are extremely important.

- Tax fairness is the highest priority tested for Democrats (61% extremely important) and Biden voters (58%), and is also extremely important to 50% of 2022 swing voters¹ and 39% of moderates. Women (43%), voters under 40 (45%), suburban voters (41%), and white non-college women (47%) all rank tax fairness as their number-one priority.

Voters' Priorities for Congress and President Biden	
	Extremely Important %
Reducing the national debt	42
Ensuring the wealthy and corporations pay their fair share in taxes	40
Creating jobs	39
Rebuilding America's infrastructure	33
Making housing more affordable	31
Expanding access to quality long-term care for elderly	30
Expanding the use and development of clean energy	27
Increasing investment in public education	25
Expanding access to high-speed internet in rural areas	23
Expanding access to affordable child care	23
Reducing income inequality	23
Relieving student debt	18

Voters in Virginia see the progressive revenue measures in President Biden’s American Families Plan as a strong reason to support the plan.

- Virginia voters favor the American Families Plan by a strong 37-point margin (66% to 29%), including a remarkable 54-point margin among 2022 swing voters (73% to 19%).
- Fully 68% of voters say they feel more favorable toward President Biden's American Families Plan when informed that the plan “would raise nearly \$4 trillion from corporations and the wealthy.” Far from producing “sticker shock,” the plan’s ambitious revenue provisions are considered a reason to support the larger plan. Raising \$4 trillion from the wealthy and corporations is enormously popular among Democrats (92% more favorable) and independents (66%), and even 42% of Republicans have a favorable response.
- By a 60-point margin, voters prefer funding the American Families Plan by raising taxes on corporations and people earning over \$400,000 (63%) rather than borrowing \$4 trillion and increasing the federal debt (3%).

¹Swing voters are those undecided between supporting a Democrat or Republican for Congress in 2022.

Biden’s proposals to raise taxes on those making over \$400,000 meet with wide approval in Virginia.

- By 72% to 23%, voters support raising taxes on those earning more than \$400,000. This policy receives support from nearly all Democrats (94%), over two-thirds of independents (69%), and a remarkable 48% of Republicans. Large majorities of voters of all ages, men and women, and white non-college voters support higher taxes above the \$400,000 income level.
- By a 38-point margin, voters think raising taxes on those earning over \$400,000 would help the economy (56%) rather than hurt it (18%).

Raise Taxes for Those Earning Over \$400,000		
	Favor	Oppose
	%	%
All Voters	72	23
Women	73	21
Men	70	26
18 to 39	85	14
40 to 59	65	26
60 and older	66	29
White non-college	72	21
Swing voters	78	15
Democrats	94	4
Independents	69	27
Republicans	48	43

- Two in three (69%) voters favor Biden’s proposal to give the IRS more resources to audit the wealthy and corporations, including 90% of Democrats and 64% of independent voters. A remarkable 36% of all voters strongly support the measure.
- Fully three-fourths (76%) favor closing the loophole (“step up basis”) that lets the wealthy avoid paying taxes on the profits from assets that they transfer to heirs.
- By a robust 36-point margin (63% to 27%) voters want the top tax rate on investment income (currently 20%) to be raised to match the 37% top rate on wage income for those making more than \$1 million a year. This margin is the same among pivotal swing voters (61% to 25%).

**Tax Capital Gains at Same Rate as Wage Income
(Margin of Support: Support Minus Oppose)**

All Voters	+36
Women	+40
Men	+31
18 to 39	+63
40 to 59	+24
60 and older	+24
Democrats	+82
Independents	+22
Republicans	-7
Swing voters	+36

➤ Moreover, a robust attack on the proposal to tax capital gains at the wage level manages to increase opposition by just four points (to 31%) when matched against the case that it is time to close a loophole that allows many millionaires to pay a lower rate than average Americans.

Supporters say that many teachers, factory workers, and other average Americans pay a higher tax rate on their wages than millionaires pay on their investment income. It’s time to close this loophole and end this rigged arrangement. 58%

Opponents say this proposal will nearly double the tax rate on investment income, which will mean fewer new businesses being created, less investment in existing businesses, and a lot fewer jobs being created. 31%

Increasing the corporate tax rate to 28% is embraced by a solid majority of Virginia voters.

➤ Voters support raising the corporate tax rate from 21% to 28%, with 59% in favor and 35% opposed. The margin of support is very large among both Democrats (+75) and swing voters (+36), but it receives modest (30%) support from Republicans.

Increasing Corporate Tax Rate to 28%

	<u>Favor</u>	<u>Oppose</u>
	%	%
All Voters	59	35
Women	64	27
Men	54	44
Urban	75	14
Suburban	56	41
Small town/rural	51	38
Swing voters	64	28
Democrats	86	11
Independents	57	35
Republicans	30	61

- When voters consider a debate over the merits of increasing the corporate tax rate, the margin of support grows to 27 points, 57% to 30% (and 68% to 21% among swing voters). Conservative claims that hiking corporate taxes will make U.S. companies uncompetitive, increase prices, and cost jobs do not prove as persuasive as the case that it will make the tax system fairer and raise revenue for vital investments.

Supporters say it's time corporations paid their fair share—last year 55 big corporations paid no federal income taxes. Increasing the corporate tax rate will raise \$300 billion, which could be used to create jobs and make healthcare, elder care, child care, college, and housing more affordable. 57%

Opponents say that increasing the corporate tax rate will make American companies uncompetitive with Chinese and other foreign businesses, increase prices for consumers, and cause businesses to slash jobs, cut wages, and move jobs overseas, costing millions of American jobs. 30%

In addition to raising the corporate tax rate to 28%, Virginia voters endorse other measures to raise revenue from corporations.

- Fully 68% of voters approve of raising the corporate tax rate on foreign profits from 11% to 28% to equal the tax rate on domestic profits.
- A 66% majority supports requiring corporations to pay a minimum tax of at least 15% on their profits.
- By a 34-point margin (60% to 26%), Virginia voters endorse a proposal to impose a 3% tax on corporations when they use stock buybacks to distribute profits to shareholders.
- Swing voters voice particular enthusiasm, supporting these tax increases on corporations by higher levels than voters overall

Proposals to Raise Taxes on Corporations (Margin of Support—Support Minus Oppose)			
	<u>Tax Foreign Profits 28%</u>	<u>Minimum Tax of 15%</u>	<u>Tax Stock Buybacks</u>
	±	±	±
All Voters	+47	+39	+34
Women	+48	+41	+38
Men	+45	+37	+30
18 to 39	+58	+48	+55
40 to 59	+44	+44	+26
60 and older	+39	+27	+24
Democrats	+73	+81	+74
Independents	+42	+46	+36
Republicans	+20	-13	-12
Swing voters	+50	+50	+39

The voters of Virginia would go even further than President Biden in raising taxes on the wealthy, embracing proposals to establish a wealth tax, expand the estate tax, and eliminate “dynasty trusts.”

- Fully 70% of Virginia voters support a proposal to apply a 2% tax each year on an individual's wealth above \$50 million, and 3% on wealth above \$1 billion.
- By 65% to 25%, voters would apply a one-time 2.5% tax on an individual's wealth above \$50 million, and 5% on wealth above \$100 million, payable over five years.
- By 68% to 25%, voters favor a millionaire’s surtax that would raise the income tax rate for those earning over one million dollars a year by 10 percentage points.
- A 60%-to-30% majority supports applying the estate tax to estates valued at \$3.5 million or more, instead of the current \$11.7 million threshold.
- When voters are informed about "dynasty trusts" that allow wealth to be passed down to heirs without paying estate taxes, 60% say these trusts should be eliminated while just 31% feel they should be preserved.
- A large majority of swing voters support all of these measures, often by even larger margins than the electorate overall.

Proposals to Raise Taxes on the Wealthy (Margin of Support – Support Minus Oppose)				
	Wealth Tax ±	Millionaires Surtax ±	Estate Tax ±	End Dynasty Trusts ±
All Voters	+47	+43	+30	+29
Women	+55	+43	+41	+37
Men	+38	+41	+17	+20
18 to 39	+61	+62	+57	+45
40 to 59	+44	+34	+21	+21
60 and older	+39	+33	+16	+24
Democrats	+76	+72	+74	+72
Independents	+50	+44	+15	+25
Republicans	+13	+8	-8	-16
Swing voters	+69	+50	+28	+35