

SPECIAL REPORT

April 2009
No. 166

How Do Americans Feel About Taxes Today?

Tax Foundation's 2009 Survey of U.S. Attitudes on Taxes, Government Spending and Wealth Distribution

By
Matt Moon
Manager of Media Relations
Tax Foundation

Introduction

Despite the recent political and economic shake-ups, the Tax Foundation's *2009 Survey of U.S. Attitudes on Taxes, Government Spending and Wealth Distribution* shows that American opinions on tax issues have not changed markedly since 2007, the last time the survey was conducted. Issues of tax complexity, fairness and burdens continue to be important to the American people.

This report summarizes the findings of a survey done by Harris Interactive® on behalf

of the Tax Foundation from February 18 to February 27, 2009. The survey covers a nationwide cross-section of 2,002 adults aged 18 or older.¹

This year's survey includes three new questions on wealth redistribution, taxes on food and drink deemed unhealthy, and government-run gambling operations such as lotteries and keno terminals. The survey also includes two new demographic categories, asking respondents to identify their party affiliation and their political philosophy.

Key Findings

- A new 2009 poll of tax attitudes finds a majority of U.S. adults still believe that the federal income taxes they pay are "too high" (56 percent).
- 4 in every 5 adults say the federal tax code is complex (85 percent) and say that the tax system needs to be completely overhauled or needs major changes (82 percent).
- The estate tax is seen as the most "unfair" federal tax, while the gas tax is seen as the most "unfair" state and local tax. Two-thirds (67 percent) favor a complete elimination of the federal estate tax.
- While nearly one-third of all tax filers currently have no federal income tax liability after taking credits and deductions, two-thirds (66 percent) believe that everyone should be required to pay some minimum. Under half (44 percent) would be willing to give up some federal tax deductions in exchange for an across-the-board cut in federal income tax rates.
- There is widespread opposition to taxes on food and drink deemed unhealthy, with over half (56 percent) opposing taxes on "junk food" in general. On the other hand, over half (53 percent) support government-run gambling operations such as lotteries and keno terminals.

¹ Please see the "Survey Methodology" section at the end of this report for a complete discussion of the methodology and potential sources of error in the findings.

All data from this and previous years' surveys are available for download free of charge at www.taxfoundation.org under "Public Opinion Surveys on Taxes."

Views on the Tax Burden

In 1947, the Gallup Organization began asking Americans: "Do you consider the amount of federal income tax you have to pay as too high, too low or about right?" Over the years, that question has become a standard barometer of tax satisfaction and has been asked in dozens of opinion surveys.

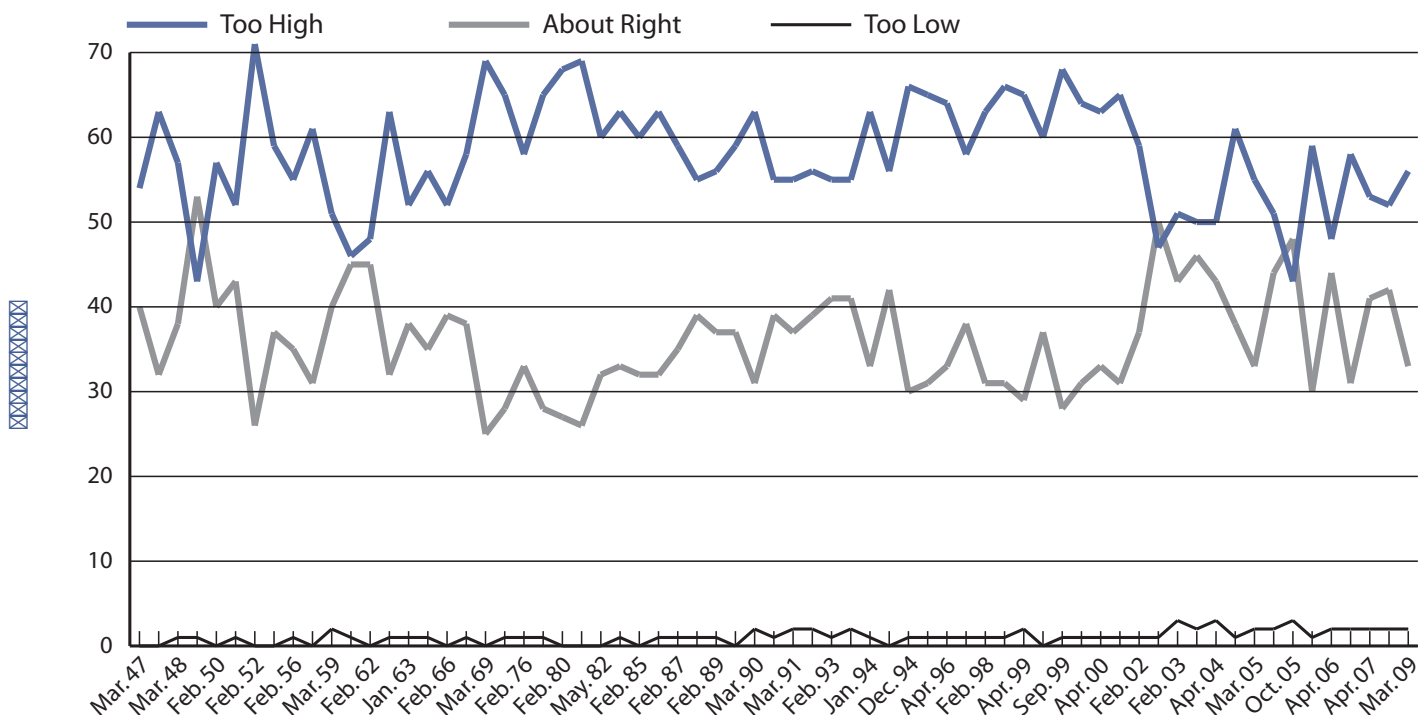
In 2005, the Tax Foundation began asking that question as well. According to this year's Harris Interactive® poll, a majority of adults still believe that the amount of federal income tax they have to pay is too high – 56 percent this year compared to 58 percent in 2007 – while only one-third believe that the amount they pay is just right, also consistent with 2007 data.

Those most likely to say their federal tax bill is too high include respondents in their peak earning years, ages 45 to 54 (67 percent), as well as those in the middle income group of \$35,000 to \$50,000 (63 percent) and the top income group of \$75,000 and above (62 percent). Married adults (60 percent) are more likely than unmarried adults (52 percent) to feel that their tax burden is too high.

There are also some differences between different regions of the country. Those who live in New England, the Mid-Atlantic, and the Great Lakes region are more likely to say that their federal income taxes are too high (61 percent each) than those in the Deep South (49 percent).

Some differences arise when we look at how taxes are prepared and processed. Respondents who use an outside tax professional for tax preparation are more likely to say that their federal income taxes are too high (63 percent) than those who use regular tax forms (51

Figure 1
"Do you consider the amount of federal income tax you have to pay as too high, too low, or about right?"



Source: Tax Foundation; pre-2005 data compiled from Karlyn Bowman, "Public Opinion on Taxes," *AEI Studies in Public Opinion* (April 12, 2006), available online at http://www.aei.org/publications/pubID.16838/pub_detail.asp.

percent). Those who itemize deductions when filing their federal tax returns are also more likely to say taxes are too high (66 percent) than those who take the standard deduction (56 percent).

To give a sense of how opinions on the federal income tax burden have changed over time, Figure 1 presents a compilation of results from other surveys that have asked this question between 1947 and today.² While these results are not strictly comparable due to different methodologies used by these surveys over the years, we present them here as an illustration of tax attitudes over time.³

How High Should Taxes Be?

To test whether U.S. adults view their tax burdens as too high or too low, we asked the following question: “What is the maximum percentage of a person’s income that should go to taxes – that is, all taxes, state, federal and local?” In 2009, the average response is 15.6 percent which is less than one percentage point higher than in 2007.

As in previous years, we find that women prefer somewhat lower tax rates (13.6 percent) than men (17.7 percent). Those with middle incomes of \$35,000-\$50,000 favor lower tax rates (13.8 percent) than those with incomes of \$75,000 or above (17.9 percent).

The most dramatic difference in opinion is between those with different levels of education. The average adult with less than a high school diploma favors a low average tax rate of just 12.6 percent. Yet, the average adult with a graduate degree or more favors a high average tax rate of 22.9 percent.

These averages are all significantly lower than the Tax Foundation’s estimates of the nation’s actual average total tax burden: 28.2 percent of income.⁴

The Value of Government Spending Received

Ultimately, Americans pay taxes in exchange for government services. We asked people to think about all the government services they use in a year – national defense, roads, public schools, Medicare, Social Security, police protection, and so on. Next, we asked them to mentally total up how much they value all those services. That is, we asked how much they would be willing to pay for every government service they use in a year.

...a majority of adults still believe that the amount of federal income tax they have to pay is too high – 56 percent this year compared to 58 percent in 2007 – while only one-third believe that the amount they pay is just right, also consistent with 2007 data.

Despite the lack of significant changes in attitudes on taxes, Americans view government services as slightly more valuable today than in 2007. The mean figure given in 2009 is \$7,635 – up from a mean of \$7,244 in 2007. Overall, 86 percent reported valuing government services at less than \$10,000 per year.

The average male adult is willing to pay just over \$9,500 for all government services while the average female adult would only pay around \$5,700. Those with a high school diploma or less would pay just over \$4,300 while those with a graduate degree or more would pay a little less than \$19,000. Respondents with incomes of \$75,000 or above are willing to pay more than three times as much (\$11,300) as those with incomes of \$35,000 or

2 Source: Tax Foundation. Data compiled from Karlyn Bowman, “Public Opinion on Taxes,” *AEI Studies in Public Opinion* (June 26, 2008), available online at http://www.aei.org/docLib/20050415_TAXES.pdf.

3 The dates seen on the X-axis of Figure 1 are not to scale, but represent data compiled from K. Bowman (see reference above). Data also includes Harris Interactive® polls done on behalf of the Tax Foundation in 2005, 2006, 2007 and 2009.

4 Josh Barro, “America Celebrates Tax Freedom Day.” *Tax Foundation Special Report No. 165* (March 2009).

less (\$3,800). Respondents with children (\$8,700) are willing to pay more than those with no children (\$7,100). Those who are married (\$8,500) are willing to pay more than those who are not married (\$6,500).

There are geographical differences as well. While residents of the Farm Belt would be willing to pay just over \$2,700 for government services, those who live on the Pacific Coast would be willing to pay just over \$10,000.

These averages should be compared to actual overall government spending. In fiscal year 2006, total spending from federal, state and local governments amounted to over \$4.7 trillion, or nearly \$16,000 per capita, which is well over half of what the average adult would be willing to pay.⁵

Should Government Do More or Less?

We asked Americans whether they would prefer more government services and taxes, or less: “Considering all government services on the one hand and taxes on the other, would you like to increase taxes and services, decrease them, or keep them about the same?”

This year Americans are slightly more polarized. In 2007, 41 percent of adults thought that taxes and services should be kept about where they are, while in 2009, only 36 percent share this view. A slightly larger percentage believes that the government should increase services and raise taxes (from 8 percent in 2007 to 10 percent in 2009), while a slightly larger percentage also believes that the government should decrease services and lower taxes (from 32 percent in 2007 to 34 percent in 2009). Overall, this suggests that Americans are slightly less content in 2009 with the current balance of taxes and services.

Adult males favor a decrease in services and lower taxes (39 percent) over keeping taxes and services where they are (34 percent). Female adults are just the opposite: more want to

keep taxes and services where they are (38 percent) than want to see a decrease in services and taxes (30 percent). Of those with children, more people want to see a decrease in taxes and services (39 percent) than want to keep taxes and services about where they are (31 percent). For those without children, it flips: more want to keep taxes and services where they are (39 percent) than want to see decreases (32 percent).

Americans seem polarized about the fairness of “sin” taxes with 20 percent labeling cigarette, beer and wine taxes as not at all fair while 28 percent label them very fair.

Among those in their peak earning years, 45 to 54 years of age, more people want to decrease services and lower taxes (40 percent) than want to keep taxes and services where they are (27 percent). In all other age groups, it’s the opposite: more people want to keep taxes and services where they are than want to decrease services and lower taxes.

In the Farm Belt, more people want to decrease services and lower taxes (40 percent) than want to keep taxes and services where they are (31 percent). On the Pacific Coast, the numbers are switched, 31 percent and 40 percent respectively.

Specific Federal and State Taxes

While few taxes are popular, some are viewed as less fair than others. We asked people to think about the fairness of different taxes, and tell us which ones are fair or unfair in their opinion. We let them rank the fairness of every tax on a scale of one to five, with one being “very fair” and five being “not at all fair.” As in past surveys, first we asked about federal taxes sent to Washington, and then we asked about state and local taxes.

⁵ Data retrieved from *USGovernmentSpending.com*, compiled by Christopher Chantrell. Fiscal year 2006 numbers are used because that is the latest year for which US Census data on state and local spending is available.

Federal Tax Fairness

At the federal level, the estate tax is considered the least fair. It receives an unfairness ranking of 3.9 on a scale of one to five. This is followed by the gas tax (3.6), federal income taxes and corporate income taxes (3.4 each), and Social Security payroll taxes (3.3). Cigarette, beer and wine taxes receive the lowest unfairness ranking at 2.9. Those 45 to 54 years of age and those 55 years and above indicate a strong dislike for the federal estate tax, each group giving it an unfairness ranking of 4.1.

One of the largest changes from 2007 comes in Americans' perceptions of gas taxes. While 37 percent saw gas taxes as fair in 2007, 43 percent believe that they are fair in 2009. Another change from 2007 comes in perceptions of the corporate income tax. While 25 percent saw corporate income taxes as not at all fair in 2007, that number grew to 29 percent in 2009.

Americans seem polarized about the fairness of "sin" taxes with 20 percent labeling cigarette, beer and wine taxes as not at all fair while 28 percent label them very fair. This is not a big change from 2007 where the numbers were 21 percent and 29 percent respectively.

State and Local Tax Fairness

At the state and local level, the gas tax is considered the least fair. It has an unfairness score of 3.7 on a scale of one to five. This is followed by local property taxes (3.6), motor vehicle taxes (3.5), state income taxes (3.4), retail sales taxes (3.3), and cigarette, beer and wine taxes (2.9).

A notable demographic difference on state and local "sin taxes" comes in levels of education. Those with a high school diploma or less give cigarette, beer and wine taxes an unfairness ranking of 3.2; those with graduate degrees or more give them an unfairness ranking of 2.3.

Estate Tax Elimination Favored

In 2001, the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) set the federal estate tax on a path to full repeal in 2010. The administration of President Barack Obama plans on extending the federal estate tax through 2018.

Not surprisingly, there is widespread opposition to taxes on food and drink items deemed unhealthy, with adults being most opposed to taxes on foods with salt (71 percent), followed by opposition to taxes on sugary drinks (59 percent) and junk food (55 percent).

In the previous section, the estate tax was seen as the least fair tax among all federal taxes. In order to determine how people would react to a specific policy action, we asked the following question: "Do you personally favor or oppose completely eliminating the estate tax – that is, the tax on property left by people who die?"

Two-thirds of U.S. adults (67 percent) say they favor complete elimination, while 17 percent oppose the repeal. 16 percent are unsure.

There also seems to be a correlation between age groups and likelihood to support the repeal of the estate tax. While a good portion of those 18-34 years and 35-44 years of age support getting rid of the estate tax (58 percent and 61 percent, respectively), an even larger portion of those 45-54 years of age and 55 years and over want a repeal (73 percent and 74 percent, respectively).

Widespread Opposition to Taxes on Food and Drink that Are Deemed Unhealthy

In response to some state and local governments' proposing punitive taxes on food and

drink items that are deemed unhealthy, we asked respondents to indicate whether they favor or oppose a government tax on the following items: sugary drinks, foods with salt, and “junk food” in general.

Not surprisingly, there is widespread opposition to such taxes, with adults being most opposed to taxes on foods with salt (71 percent), followed by opposition to taxes on sugary drinks (59 percent) and junk food (55 percent).

Respondents with different levels of education give very different answers when it comes to sugary drinks and junk food. Those with a high school diploma or less oppose a tax on sugary drinks, 66 percent to 27 percent, while those with a graduate degree or more favor that tax, 52 percent to 45 percent. Those with a high school diploma or less oppose a tax on junk food, 60 percent to 33 percent, while those with a graduate degree or more favor that tax, 55 percent to 43 percent.

Respondents with children in their household are more likely to oppose taxes on sugary drinks and junk food (65 percent and 61 percent, respectively) than those without children (56 percent and 53 percent, respectively). New England is the only region to favor a tax on sugary drinks (52 percent to 47 percent) and junk food (56 percent to 44 percent).

Tax Complexity and Tax Reform

With the April 15th tax deadline looming, we asked people about the perceived complexity of federal income taxes. When asked, “How complex do you think the current federal income tax is?” a record 85 percent say the federal income tax is very complex or somewhat complex, up from 83 percent in 2007. Just 1 percent say that federal taxes are not complex at all, and 8 percent say they’re “not too complex.”

After asking about tax complexity, we asked people whether Congress should reform the federal tax code. A record 82 percent say, “It should be completely overhauled” or “It

needs major changes,” which is up from 78 percent in 2007. 12 percent say that “it needs minor changes” and 2 percent say “it is fine the way it is.”

Older American adults seem more likely to support major reforms to the tax code. While 67 percent of those 18-34 years of age say that the tax code should be completely overhauled or needs major changes, 90 percent of those 55 years of age and over react the same way.

Willingness to Give Up Deductions for Reform

Americans say they support federal tax reform, but are they willing to make personal sacrifices to get it? Tax reform often requires simplification, which means getting rid of tax deductions and credits like those for home mortgage interest, state and local taxes paid, education expenses and others. Some of these deductions are popular and are perceived as a “third rail” in politics.

We asked people if they would be willing to give up some of their federal tax deductions – including the cherished home mortgage interest deduction – if doing so meant they’d receive an across-the-board cut in federal income tax rates.

Compared to 2007, adults today are slightly less willing to give up federal tax deductions for lower rates overall. While 48 percent were willing to do this in 2007, only 44 percent would be willing to do so in 2009. One in five (22 percent) would not be willing to give up deductions for an across-the-board rate cut in income taxes, while 34 percent are not sure on this issue.

Males are more likely to give up these deductions (49 percent) than females (39 percent). Those with a graduate degree or more (52 percent) are more likely than those with a high school diploma or less (37 percent) to accept this type of reform. Respondents making \$75,000 or more in income are more likely to favor giving up tax deductions for lower rates overall (49 percent) than those

making \$35,000 or less (40 percent). Those who take the standard deduction on their income tax filing are more likely to favor this policy (54 percent) than those who itemize their deductions (41 percent).

...a record 85 percent say the federal income tax is very complex or somewhat complex, up from 83 percent in 2007.

Additionally, those with children in their households are slightly less likely to favor giving up some federal tax deductions for an across-the-board cut in tax rates (41 percent) than those with no children (45 percent).

“Non-Payers” Viewed as Unfair, yet Government Redistribution of Wealth Has Support

According to the most recent IRS statistics for 2006, some 45.6 million tax filers—one-third of all filers—have no federal income tax liability after taking their credits and deductions.⁶ This is a 57 percent increase since 2000 in the number of Americans who pay no personal income taxes. We asked whether it’s fair or unfair that some pay zero federal income tax while others pay large amounts.

A full two-thirds of adults (66 percent) believe that everyone should be required to pay some minimum amount of tax to help fund the government, while only 19 percent believe that it is fair that some do not pay taxes at all. The percentage agreeing with that statement has decreased since 2007, when 24 percent believed that it was fair that some Americans did not pay taxes. Nearly three-fourths of adults 55 years of age and over (73 percent) say that everyone should be required to pay some minimum amount of tax, while 56 percent of those 18-34 years of age feel the same way. Those with incomes of \$75,000 and above (72 percent) are more likely to view “non-payers” as unfair than those with incomes of \$35,000 and less (58 percent).

Even though many American adults feel that having “non-payers” is unfair, they support some sort of progressivity in the tax code for the purposes of redistributing wealth. This year we asked a new question about supporting or opposing the government’s redistributing wealth through a much higher income tax on high-income earners. Just over half of Americans (52 percent) support redistribution of wealth by a larger tax on high-income earners, while 31 percent oppose doing so. Only 10 percent say they “neither support nor oppose,” suggesting that this issue is certainly a polarizing one.

Unsurprisingly, opposition to redistribution of wealth through higher taxes on high-income earners increased with an increase in income level. While only 18 percent of those with incomes of \$35,000 and less oppose this policy, there is 40 percent opposition from those with incomes of \$75,000 and above. Those without children are more likely to support redistribution of wealth through higher taxes on high-income earners (56 percent) than those with children (45 percent).

Higher Taxes to Pay the Deficit

Americans were asked again this year if they would be willing to pay their share of the budget deficit in order to balance the budget. While in 2007 this figure was only \$1,789 per individual tax return, this year that number has ballooned to \$8,798 because of the bailouts and the Troubled Asset Relief Program under the Bush Administration, as well as the stimulus and fiscal year 2009 omnibus spending bills under the Obama administration. Only 6 percent are willing to pay the additional \$8,798 in federal taxes to eliminate the deficit; 81 percent are unwilling.

To those who said they were willing to pay higher taxes to cut the federal deficit, we asked a follow-up question: “If you paid that extra \$8,798 in additional taxes, how do you believe today’s Congress would use it?”

Just under half of respondents (48 percent) believe that the government would use the money to increase spending and not pay off

the deficit, while only 17 percent believe the government would use it to pay off the entire deficit. Just under one-third of respondents (32 percent) believe the government would pay off part of the deficit and increase spending with the rest.

Government-Run Gambling Operations

State-run lotteries are the most popular form of commercial gambling in the U.S., with half or more Americans participating in any given year. In 2008, total consumer spending on lotteries was over \$60 billion – or \$199 per capita – and in 2004 the average American spends more money on lotteries than on reading materials and movie theater tickets combined. Lotteries constitute an implicit tax similar to excise taxes on goods like cigarettes and alcohol. They are generally considered poor tax policy because they are regressive, poorly understood by taxpayers and distort economic behavior.

This year's poll asked a new question on this topic: "Currently, most state governments raise revenue through government-run gambling operations, such as lotteries, keno games and video lottery terminals (which offer casino-types games such as poker, blackjack and slots), for the purpose of general government spending. In general, do you favor or oppose such government-run gambling operations?"

Generally, there is widespread support for government-run gambling operations, with twice as many supporting these as opposing them. The majority of adults support this policy (53 percent), with 27 percent somewhat supportive and 26 percent strongly supporting them. Only 12 percent strongly oppose them, while 10 percent are somewhat opposed.

By region, New Englanders are more likely than others to favor government-run gambling operations (66 percent) while those in the Mid-Atlantic (26 percent), Pacific (25 percent) and Deep South states (28 percent) are more likely to oppose government-run gambling.

Additionally, those who have no children in their households are more likely to support government-run gambling operations (56 percent) than those with children (47 percent).

Sharp Divergence of Opinion Between Different Political Parties, Philosophies

The Tax Foundation is a nonpartisan organization, but we sought to identify differences of opinion between people of different political backgrounds and beliefs. This year, we added two new demographic categories to the poll, asking respondents to identify their party affiliation as well as their political philosophy.

Republicans are more likely to say that their federal income tax bill is too high (62 percent) than Democrats (51 percent). Independents come in at 61 percent.

We asked: "Regardless of how you may vote, what do you usually consider yourself?" The four possible choices offered were Republican, Democrat, Independent and Other. We also asked: "How would you describe your own political philosophy?" The three choices given were conservative, moderate and liberal.

Tax Burdens

On tax burdens, Republicans are more likely to say that their federal income tax bill is too high (62 percent) than Democrats (51 percent). Independents come in at 61 percent. Two-thirds of conservatives also say their federal income tax is too high (66 percent) compared to just over half of moderates (55 percent). Among liberals, more respondents say their income tax bill is about right (45 percent) than say that it is too high (44 percent).

On the maximum percentage of a person's income that should go to all taxes – federal, state and local – Democrats came in at 17 percent versus Republicans at 14.4 percent and

Independents at 14.8 percent. The average percentage given by liberals was 18.9 percent, with moderates coming in at 15.1 percent and conservatives at 14.4 percent.

Government Services and Spending

When asked how much they would be willing to pay for all services provided by governments in one year, the respondents provide counter-intuitive answers. Republicans are willing to pay an average of \$9,985 compared to \$7,616 for Democrats. Independents respond with an average of \$5,805. Moderates are willing to pay an average of \$8,171 with liberals coming in at \$7,714 and conservatives coming in at \$6,668.

When it comes to the balance between government services and taxes, Republicans and Independents are more likely to say they want to decrease services and lower taxes (46 percent and 42 percent, respectively) than say that they want to keep taxes and services where they are (35 percent and 29 percent, respectively). Among Democrats, more people said they wanted to keep taxes and services where they are (44 percent) than said they wanted to decrease services and taxes (21 percent). Among Liberals and moderates, more respondents want to keep services and taxes where they are (35 percent and 42 percent, respectively) than want to decrease services and taxes (23 percent and 27 percent, respectively). Among conservatives, 54 percent want to see a decrease in services and taxes while 27 percent want to keep taxes and services where they are.

Democrats are more likely to want to increase services and raise taxes (16 percent) than Independents (12 percent) and Republicans (2 percent). Liberals are more likely to want to increase services and raise taxes (23 percent) than moderates (10 percent) and conservatives (3 percent).

Tax Deductions and the Estate Tax

When asked if they would be willing to give up some federal tax deductions in exchange for

an across-the-board cut in federal income tax rates, Republicans were more likely to support that proposal (51 percent) than Democrats (40 percent), with Independents coming in at 45 percent. More conservatives support the idea (51 percent) than liberals (40 percent), with moderates coming in at 41 percent.

When asked about completely eliminating the estate tax, Republicans are more likely to support elimination of the tax (79 percent) than Democrats (55 percent), with Independents coming in at 74 percent. Conservatives are more likely to support repeal of the estate tax (81 percent) than liberals (50 percent), with moderates coming in at 65 percent.

Fairness of “Non-Payers” and Wealth Redistribution

When asked whether it’s fair or unfair that some pay zero federal income tax while others pay large amounts, Republicans are more likely to say that everyone should be required to pay some minimum amount of tax to help fund government (75 percent) than Democrats (63 percent) and Independents (65 percent). Between political philosophies, the differences are even more stark with conservatives at 75 percent, liberals at 49 percent and moderates at 67 percent.

On the subject of government redistributing wealth through a much higher income tax on high-income earners, both Democrats and Independents support the idea (74 percent and 53 percent, respectively) with 58 percent of Republicans opposing it. Liberals and moderates also support the policy (74 percent and 60 percent, respectively), with 57 percent of conservatives opposing it.

Cigarettes, Alcohol, Junk Food and Gambling

Asked about the unfairness of federal cigarette, beer and wine taxes, on a scale of 1 to 5, Democrats give a slightly lower unfairness ranking (2.7) than Republicans and Independents (3.0 for each). Liberals also give a slightly lower unfairness ranking to these “sin taxes” (2.7) than moderates (2.9) and conservatives (3.1).

There are also differences between political parties and philosophies on foods and drinks deemed unhealthy. Republicans and Independents are more likely to oppose a tax on foods with salt (77 percent and 73 percent, respectively) than Democrats (65 percent); conservatives are more likely to oppose this tax (81 percent) than moderates (68 percent) and liberals (63 percent).

A tax on sugary drinks is opposed by two-thirds of Republicans (67 percent) compared to 56 percent of Independents and 53 percent of Democrats; almost three-fourths of conservatives oppose this tax (73 percent) versus 54 percent of moderates and 49 percent of liberals.

Two-thirds of Republicans oppose a tax on “junk food in general” (67 percent) while 54 percent of Independents are opposed; 72 percent of conservatives oppose a junk food tax with 50 percent of moderates opposing it. Democrats are split on support (47 percent) and opposition (47 percent) for a tax on junk

food with more liberals supporting the idea (47 percent) than opposing it (45 percent).

When asked about government-run gambling operations, Democrats are more likely to favor this idea (59 percent) than Republicans and Independents (51 percent each). Conservatives are less likely to support government-run gambling operations (45 percent) than moderates (56 percent) and liberals (58 percent).

Conclusion

Congress is about to engage in a long debate over short-term and long-term fiscal policy. Taxes, spending and wealth distribution continue to be key issues in the minds of the American public. While fundamental fiscal policy reform might be a long way off for Congress and many of the states, these results offer some insight into what the American people are willing to accept when it comes to their pocketbooks.

Topline Survey Results

Below we present the topline results from the *2009 Survey of U.S. Attitudes on Taxes, Government Spending and Wealth Distribution*. All results are available for download free of charge at www.taxfoundation.org, and the complete survey microdata are available to researchers upon request.

In the tables, an asterisk (*) represents a value of less than one-half percent. A dash (-) represents a value of zero. Percentages do not always add up to 100 percent due to rounding.

Q600 Do you consider the amount of federal income tax you have to pay as...?

	2009	2007	2006	2005
Unweighted Base	2,002	2,012	2,017	2,013
Too high	56%	58%	59%	55%
About right	33%	31%	30%	33%
Too low	2%	2%	1%	2%
Not sure	10%	10%	9%	10%

Q605 What is the maximum percentage of a person's income that should go to taxes – that is, all taxes, state, federal, and local?

	2009	2007	2006	2005
Unweighted Base	2,002	2,012	2,017	2,013
100%	*	*	-	-
90% - 99%	*	*	*	-
80% - 89%	*	*	*	-
70% - 79%	1%	*	*	-
60% - 69%	*	*	*	-
50% - 59%	2%	2%	1%	2%
40% - 49%	2%	1%	1%	3%
30% - 39%	7%	6%	6%	7%
20% - 29%	22%	20%	22%	23%
10% - 19%	42%	47%	43%	41%
1% - 9%	23%	22%	24%	20%
0%	1%	2%	1%	3%
MEAN	15.6	14.7	15	16

Q610 Thinking about all the government services you use during a year — national defense, roads, public schools, food stamps, Social Security, police protection and so on — how much would you say these are worth to you in dollars for one year? That is, how much would you be willing to pay for all the services provided to you by governments for one year?

	2009	2007
Unweighted Base	2,002	2,012
\$0 – 1,000	43%	43%
\$1,001 – 10,000	43%	46%
\$10,001 – 50,000	13%	9%
\$51,000 – 99,999	*	1%
\$100,000+	1%	1%
MEAN	\$7,634.90	\$7243.80

Q615 Considering all government services on the one hand and taxes on the other, which of the following statements comes closest to your view?

	2009	2007
Unweighted Base	2,002	2,012
Keep taxes and services about where they are	36%	41%
Decrease services and lower taxes	34%	32%
Increase services and raise taxes	10%	8%
Not sure	19%	20%

Q620 Some taxes are paid to the federal government in Washington and some are paid to state and local governments. Using a scale of 1 to 5, where one means “very fair” and five means “not at all fair”, please indicate what you think of these federal taxes in terms of fairness.

2009	Very fair		Fair	Not at all fair		MEAN
	(1)	(2)	(3)	(4)	(5)	
Unweighted Base	2,002	2,002	2,002	2,002	2,002	2,002
Cigarette, beer and wine taxes	28%	11%	27%	15%	20%	2.9
Corporate income taxes	15%	9%	28%	20%	29%	3.4
Social Security payroll taxes	10%	9%	43%	20%	18%	3.3
Gas taxes	7%	6%	31%	26%	29%	3.6
Estate taxes	4%	5%	26%	27%	38%	3.9
Federal income taxes	6%	8%	39%	29%	18%	3.4

2007	Very fair		Fair	Not at all fair		MEAN
	(1)	(2)	(3)	(4)	(5)	
Unweighted Base	2,012	2,012	2,012	2,012	2,012	2,012
Cigarette, beer and wine taxes	29%	12%	24%	15%	21%	2.9
Corporate income taxes	16%	10%	32%	17%	25%	3.3
Social Security payroll taxes	8%	9%	42%	21%	19%	3.3
Gas taxes	6%	7%	24%	28%	35%	3.8
Estate taxes	5%	6%	23%	25%	42%	3.9
Federal income taxes	4%	9%	39%	31%	17%	3.5

Q625 Using a scale of 1 to 5, where one means “very fair” and five means “not at all fair”, please indicate what you think of these state and local taxes in terms of fairness.

2009	Very fair		Fair	Not at all fair		MEAN
	(1)	(2)	(3)	(4)	(5)	
Unweighted Base	2,002	2,002	2,002	2,002	2,002	2,002
Cigarette, beer and wine taxes	27%	9%	27%	16%	21%	2.9
State income taxes	8%	7%	41%	25%	19%	3.4
Retail sales taxes	7%	10%	46%	21%	15%	3.3
Motor vehicle taxes	5%	9%	40%	26%	21%	3.5
Gas taxes	7%	6%	29%	28%	30%	3.7
Local property taxes	5%	6%	33%	30%	25%	3.6

2007	Very fair		Fair	Not at all fair		MEAN
	(1)	(2)	(3)	(4)	(5)	
Unweighted Base	2,012	2,012	2,012	2,012	2,012	2,012
Cigarette, beer and wine taxes	27%	13%	22%	14%	24%	2.9
State income taxes	7%	10%	38%	24%	20%	3.4
Retail sales taxes	6%	11%	46%	23%	14%	3.3
Motor vehicle taxes	5%	10%	37%	27%	20%	3.5
Gas taxes	5%	8%	25%	26%	36%	3.8
Local property taxes	4%	8%	38%	27%	23%	3.6

Q630 How complex do you think the current federal income tax is?

	2009	2007	2006	2005
Unweighted Base	2,002	2,012	2,017	2,013
TOP 2 BOX (NET)	85%	83%	80%	81%
(4) Very complex	52%	50%	48%	46%
(3) Somewhat complex	32%	33%	32%	35%
BOTTOM 2 BOX (NET)	9%	11%	10%	11%
(2) Not too complex	8%	10%	9%	9%
(1) Not complex at all	1%	2%	1%	2%
Not sure	6%	5%	10%	8%

Q635 Which of the following statements best describes your opinion of the federal tax system?

	2009	2007	2006	2005
Unweighted Base	2,002	2,012	2,017	2,013
TOP 2 BOX (NET)	82%	78%	80%	77%
(1) It should be completely overhauled	42%	38%	40%	35%
(2) It needs major changes	40%	39%	40%	42%
BOTTOM 2 BOX (NET)	15%	18%	16%	18%
(3) It needs minor changes	12%	15%	14%	16%
(4) It is fine the way it is	2%	3%	2%	2%
None of these	3%	5%	4%	6%

Q640 Would you be willing to give up some federal tax deductions — such as the home mortgage interest deduction, the deduction for state-local taxes paid, or the deduction for education expenses — in exchange for an across-the-board cut in your federal income tax rates?

	2009	2007
Unweighted Base	2,002	2,012
Yes	44%	48%
No	22%	22%
Not sure	34%	31%

Q645 Do you personally favor or oppose completely eliminating the estate tax – that is, the tax on property left by people who die?

	2009	2007	2006	2005
Unweighted Base	2,002	2,012	2,017	2,013
Favor	67%	66%	68%	68%
Oppose	17%	19%	19%	17%
Not sure	16%	15%	14%	15%

Q650 Thinking about your own tax burden, do you think this is fair, or do you feel everyone should be required to pay some minimum amount of tax to help fund government?

	2009	2007	2006	2005
Unweighted Base	2,002	2,012	2,017	2,013
Everyone should be required to pay some minimum amount of tax to help fund government	66%	61%	63%	59%
This is fair	19%	24%	21%	21%
Not sure	15%	15%	16%	20%

Q652 Would you support or oppose the government redistributing wealth by a much higher income tax on high income earners?

	2009
Unweighted Base	2,002
TOP 2 BOX (NET)	31%
Strongly oppose	21%
Somewhat oppose	10%
Neither support nor oppose	10%
BOTTOM 2 BOX (NET)	52%
Somewhat support	23%
Strongly support	30%
Not at all sure	7%

Q655 Thinking about your own situation, would you be willing to pay an additional \$8,798 in federal taxes to eliminate the deficit and balance the budget?

	2009
Unweighted Base	2,002
Yes, I would be willing to pay the additional tax	6%
No, I would not be willing to pay the additional tax	81%
Not sure	12%

Please note, as the amount of the budget deficit is very different from last year, we are not trending Q655 and Q660

Q660 If you paid the extra \$8,798 in additional taxes, how do you believe today's Congress would use it?

	2009
Unweighted Base	2,002
To pay off the entire deficit	17%
To pay off part of the deficit and increase spending with the rest	32%
To mostly increase spending and not pay off the deficit	48%
Not sure	4%

Q662 For each, please indicate if you would favor or oppose a government tax on that item.

	Strongly favor (4)	Somewhat favor (3)	Somewhat oppose (2)	Strongly oppose (1)	MEAN
2009					
Unweighted Base	2,002	2,002	2,002	2,002	2,002
Sugary drinks	15%	21%	17%	41%	2.1
Foods with salt	6%	17%	21%	50%	1.8
"Junk food" in general	16%	23%	15%	41%	2.2

Q664 In general, do you favor or oppose government-run gambling operations?

	2009
Unweighted Base	2,002
TOP 2 BOX (NET)	22%
Strongly oppose	12%
Somewhat oppose	10%
Neither support nor oppose	25%
BOTTOM 2 BOX (NET)	53%
Somewhat support	27%
Strongly support	26%

Survey Methodology

Harris Interactive® conducted the study online within the United States between February 18 and February 27, 2009 among 2,002 adults (aged 18 or older). Figures for age, sex, race, education, household income, and region were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All surveys are subject to several sources of error. These include: sampling error (because only a sample of a population is interviewed); measurement error due to question wording and/or question order, deliberately or unintentionally inaccurate responses, nonresponse (including refusals), interviewer effects (when live interviewers are used) and weighting.

With one exception (sampling error) the magnitude of the errors that result cannot be estimated. There is, therefore, no way to calculate a finite "margin of error" for any survey and the use of these words should be avoided.

With pure probability samples, with 100 percent response rates, it is possible to calculate the probability that the sampling error (but not other sources of error) is not greater than some number. With a pure probability sample of 2,002 adults one could say with a ninety-five percent probability that the overall results have a sampling error of +/- 2.2 percentage points. However that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.



SPECIAL REPORT
(ISSN 1068-0306) is published at
least 6 times yearly by the Tax
Foundation, an independent
501(c)(3) organization chartered in
the District of Columbia.

4–20 pp.
Single copy: free
Multiple copies: \$5 each

*The Tax Foundation, a nonprofit,
nonpartisan research and public
education organization, has moni-
tored tax and fiscal activities at all
levels of government since 1937.*

©2009 Tax Foundation

*Editor and Communications
Director, Bill Abern*

Copy Editor, Alicia Hansen

*Tax Foundation
2001 L Street, NW, Suite 1050
Washington, DC 20036*

*After May 1, 2009:
National Press Building
529 14th Street, NW, Suite 420
Washington, DC 20045-1000*

(202) 464-6200
(202) 464-6201 fax
www.TaxFoundation.org
TF@TaxFoundation.org