



The Gallup Poll

FOR RELEASE:
Sunday,
September 28, 1986

As Congress Votes on Bill

Fear of Higher Taxes Dampens Public Acceptance of Tax Bill

By George Gallup, Jr.

PRINCETON, N.J. — Despite assurances from Washington that the tax reform bill now moving through Congress will bring tax relief to most Americans, the public remains highly skeptical that they themselves will benefit. This, together with the widespread perception that the proposed tax program is no fairer than the old, undoubtedly is the greatest impediment to greater public acceptance of the new plan.

Overall, 4 in 10 (39%) in a just-completed Gallup survey express approval of the tax reform bill while almost as many (33%) disapprove; a large 28% are undecided. Opinion is slightly more favorable, 48% to 35%, among the 6 in 10 who say they have followed the tax reform discussions very (16%) or fairly (43%) closely.

Three surveys conducted since the broad outlines of the tax bill have been known have found almost identical overall assessments.

Disagree on Fundamentals

By shifting some of the present tax burden from individuals to corporations and by eliminating many preferential deductions, the new tax program is expected to remove some six million working poor from the Federal income tax rolls altogether and to lower tax rates for the vast majority of other taxpayers.

However, 4 in 10 (41%) in the new survey say their taxes would *increase* — either a little (30%) or a lot (11%) — if the new plan were passed, and 30% say theirs would stay about the same. Only 1 in 6 (18%) foresees lower taxes under the new system.

Similarly, only 1 in 4 (27%) in the current survey believes the new tax plan would provide a more equitable distribution of the tax load among all taxpayers, while 36% feel it would not be much different and 20% think the new tax code would not be as fair as the present one.

Tax simplification — an original goal of the reform movement — seems to have fallen by the wayside, a fact acknowledged by the public. A 51% majority believes the new tax bill will be about as complicated

as the old, while roughly equal percentages feel it will be less complex (19%) and more complex (17%).

Effect on the Economy

The prevailing opinion (cited by 41%) is that the new tax bill won't have much effect on the nation's economy. Those who disagree lean to the view that it will have a positive (28%) rather than a negative (15%) impact.

Political Dimension

As expected, Americans' political convictions have a bearing on their assessments of the tax reform bill. Republicans and Republican-leaning Independents, for example, approve of the bill by a 2-to-1 margin while Democrats and Democratic leaners disapprove by a narrow 4-to-3 ratio. However, there is less political disagreement on specific aspects of the bill. Pluralities of both Democrats (44%) and Republicans (37%), for instance, feel their taxes will increase; 62% of Democrats and 51% of Republicans think the new system will be no fairer than the old; 70% of Democrats and 65% of Republicans feel the new plan will be at least as complicated as the present one; and 24% of Democrats and 36% of Republicans believe tax reform will have a positive effect on the economy.

Following are the questions asked and the key findings in table form:

From what you've heard or read about it, would you say that you approve or disapprove of the tax reform bill passed by the House and Senate conference committee?

Overall Assessments of Tax Bill

	September	August	June
Approve	39%	40%	38%
Disapprove	33	34	36
No opinion	28	26	26
	<hr/> 100%	<hr/> 100%	<hr/> 100%

Do you think the new tax bill will make it less complicated for you to pay your taxes, more complicated, or about the same as the present system?

All things considered, do you think the new tax bill will have a positive effect on the nation's economy, a negative effect, or won't it make much difference one way or the other?

Tax Reform Bill
Political Summary

	U.S.	Democrats*	Republicans*
Overall Assessments:			
Approve	39%	31%	50%
Disapprove	33	43	23
No opinion	28	26	27
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Effect on Own Taxes:			
Will go down	18%	17%	22%
Stay the same	30	28	31
Will go up	41	44	37
No opinion	11	11	10
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Perceived Fairness:			
Fairer than old	27%	21%	35%
Not much different	36	36	35
Not as fair	20	26	16
No opinion	17	17	14
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Simplification:			
Less complicated	19%	18%	22%
About the same	51	48	55
More complicated	17	22	10
No opinion	13	12	13
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Effect on U.S. Economy:			
Positive	28%	24%	36%
Neutral	41	43	39
Negative	15	18	11
No opinion	16	15	14
	<u>100%</u>	<u>100%</u>	<u>100%</u>

*Includes Independents who lean toward each party.

The latest findings are based on telephone interviews with 978 adults, 18 and older, conducted in scientifically selected localities across the nation during the period September 3-17.

For results based on samples of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be 4 percentage points in either direction. In addition to sampling error, the reader should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. *These statements conform to the standards of disclosure of the National Council on Public Polls.*

If the new tax bill is passed, do you think the amount of taxes you now pay will go down a lot, go down a little, go up a little, go up a lot, or stay about the same?

Expectations Under New Tax Bill

	September 1986	August 1986	June** 1986	August* 1985	June* 1985
My taxes would:					
Go down	18%	25%	22%	11%	25%
Stay the same	30	29	30	30	29
Go up	41	36	34	16	32
No opinion	11	10	14	13	14
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

*Administration's proposal.

**Senate Finance Committee's proposal.

Do you think the new tax bill will make for a fairer distribution of the tax load among all taxpayers, one that's less fair, or won't it be much different from the present system?

Perceived Fairness

	September 1986	August 1986	June** 1986	August* 1985	June* 1985
Fairer than old	27%	33%	25%	25%	29%
Not much different	36	30	40	40	34
Not as fair	20	24	17	20	22
No opinion	17	13	18	15	15
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

*Administration's proposal.

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