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MEMORANDUM

TO: AMERICAN ACTION NETWORK

FROM: DAVE SACKETT

BJ MARTINO

RE: KEY FINDINGS FROM A NATIONAL SURVEY OF LIKELY REPUBLICAN

VOTERS REGARDING TAX REFORM

DATE: FEBRUARY 27, 2017

The Tarrance Group is pleased to present the American Action Network with the key findings from a survey of national survey of voter attitudes among Republican voters. These key findings are based on telephone interviews with N=1,000 "likely" registered Republican voters throughout the country. Responses to this survey were gathered February 18-22, 2017 and the margin of error associated with a sample of this type is \pm 3.1% in 95 out of 100 cases.

KEY FINDINGS

Political Environment:

- ➤ Both President Trump and the leadership of the Republican majorities in Congress are viewed very favorably by Republican voters throughout the country. President Trump stands with an eighty-nine percent (89%) job approval rating among Republicans, and fully seventy-eight percent (78%) indicate that they "strongly approve" of the job that President Trump is doing.
- Seventy-seven percent (77%) of Republicans approve of the job that the leadership of the Republican majorities in Congress are doing, and only 15% disapprove. A majority of Republicans, fifty-five percent (55%) indicate that they "strongly approve" of the job that the leadership of the Republican majorities in Congress are doing.
- ➤ The top tier of the issue matrix among Republican voters includes terrorism/national security (19%), economy/jobs (19%), and illegal immigration (16%.) The second tier of the issue matrix includes ObamaCare (13%) and spending/debt (10%.)

Tax Reform:

- Three-quarters of Republican voters believe that the issue of tax reform is a <u>very</u> important issue to them. There are thirty-one percent (31%) who believe that tax reform is an extremely important issue, and another 46% who indicate it is very important. There are only 4% of Republicans who indicate that this issue is not important to them.
- Tax reform is viewed as a very important issue across the entire spectrum of Republican voters, with 78% of strong Trump Republicans, 78% of Tea Party Republicans, 79% of traditional primary Republicans, and 81% of general election only Republicans indicating this is a very important issue to them. The level of importance of tax reform increases with age, and 77% of seniors indicate the issue is extremely important to them.
- As you can see from the chart below, the main worries or concerns that Republicans have about the current tax system are focused on the "structure" of the system overall.

	Mean	Extreme + Very	Extremely Worrisome	Very Worrisome
Tax code is too complicated	8.11	78%	44%	34%
Tax rates are too high	7.76	73%	33%	40%
Too many people do not pay income taxes	7.61	70%	37%	33%
Tax code unfair to average Americans	7.19	63%	25%	38%
Too many tax loopholes – particularly for corporations	6.61	56%	22%	34%
Corporations don't pay their fair share in taxes	5.72	44%	19%	25%
Rich don't pay their fair share in taxes	5.30	41%	19%	22%

View of Tax Reform Plan:

Republicans in Congress have proposed a tax reform plan that would reform the tax code to consolidate the tax brackets for individuals from five to three, with the top bracket being lowered to 33%. In addition, corporate tax rates would be reduced from 35% to 20%. Many tax loopholes will be eliminated and the process of filing taxes will be simplified.

	Approve	Strongly Approve	Unsure	Disapprove
Tax Reform Plan	85%	54%	7%	8%

➤ There is virtually universal approval among Republicans for the tax reform plan, as it was described. Support for the tax reform plan stands at ninety percent (90%) among both strong Trump supporters and strong Tea Party Republicans, eighty-six percent (86%) among traditional GOP primary voters, and 81% among general election only GOP voters. Even among self-identified moderate/liberal Republicans, seventy-seven percent (77%) indicate they approve of this tax reform plan.

➤ It is important to note that <u>Republicans do not believe that this tax reform plan would offer a decided benefit to businesses and corporations over individuals</u>. While sixty-eight percent (68%) of Republicans believe that businesses and corporations would benefit a good deal from this tax reform plan, there are also 60% of Republicans who believe that individuals and average Americans like themselves would benefit a good deal from this tax reform plan.

Tax Reform Goals and Objectives:

As you can see from the chart below, each one of the eleven potential goals or objectives tested generate a high level of importance among Republican voters:

	Mean	Extremely Important	Very Important
Make it easier to create jobs, raise wages, expand opportunity	8.84	57%	32%
Tax code that grows economy, encourage job creation	8.82	55%	34%
Encourage companies to bring foreign assets to U.S.	8.75	54%	33%
Simplify and lower tax rate for individuals	8.69	54%	35%
Lower tax rate on job creators	8.66	51%	36%
Transform broken IRS – focus on customer service	8.36	49%	32%
Repeal the death tax	8.30	49%	26%
Eliminate paperwork/compliance costs for small businesses	8.19	44%	36%
Make tax filing simple – tax form on postcard	8.13	49%	28%
Eliminate special interest loopholes for corporations	7.91	39%	35%
Set a fair tax rate for all – no special treatment for corporations	7.85	41%	34%