

**Coalition for America's Priorities  
Estate Tax Polling  
Penn, Schoen & Berland Associates, Inc.  
February 26, 2006**

**Methodology**

Penn, Schoen & Berland Associates conducted 910 telephone interviews of registered voters: 603 national voters, and 307 spread over Ohio, Maine, Arkansas, Arizona, Montana and Oregon.

Margin of error for the entire sample is  $\pm 3.25\%$ , and larger for subgroups.

**Summary of Key Findings**

**American voters do not want to see the estate tax repealed.** Rather they would like to see it kept as is or reformed – but not repealed.

**The more information voters learn about the estate tax, the more they oppose repeal.** Initially 33% say leave the estate as is, 24% say reform it, and 23% repeal it. (Meaning 57% prefer leaving as is or reform to only 23% for repeal). After learning more information, these numbers rise to as high as 44% leave as is, 28% reform, 22% repeal (72% leave as or reform, 22% repeal).

**Voters think the estate tax is at the bottom of the list of taxes that should be cut.** When read a list of potential changes to the tax system, repealing the estate tax ranks last and is opposed by 55% of voters.

**Voters think one of the two best ways to reduce the budget deficit is to keep the estate tax.** The other is to raise income taxes on the wealthiest Americans.

**Voters would much prefer to see Congress use funds for a variety of purposes other than repealing the estate tax.** Strong majorities preferred every option they were presented with from spending the money on health care for veterans and the uninsured to shoring up Social Security.

**Views on Estate Tax**

**Initial View of Estate Tax Repeal and Reform -- Unaided**

Based on what you currently know, do you think Congress should permanently repeal the federal estate tax, reform it so it applies to fewer people, or leave it as it is today?	All	Six States	Male	Female	Dem	Rep	Indy
Permanently repeal	23	24	30	17	14	34	23
Reform	24	28	22	26	25	22	23
Leave as it is today	<b>33</b>	24	37	31	39	28	33
Don't know	20	24	12	27	22	16	21

Let me tell you a bit about the federal estate tax. It is collected on the total value of a person's assets upon death, if their estate is large enough to be subject to the tax. Currently, a couple only has to pay the estate tax if the value of their estate is larger than \$4 million. That means fewer than 1% of Americans currently have to pay the estate tax. There is a debate in Washington, DC about whether the estate tax should be left as it is, reformed so it applies to even fewer Americans, or permanently eliminated.

Given this, do you think Congress should permanently repeal the federal estate tax, reform it so it applies to fewer people, or leave it as it is today?	All	Six States	Male	Female	Dem	Rep	Indy
Permanently repeal	29	29	36	22	18	40	30
Reform	22	21	23	21	25	14	25
Leave as it is today	<b>43</b>	42	38	47	49	41	38
Don't know	7	7	3	10	7	5	8

Budget experts say that eliminating the estate tax will cost the federal government approximately \$75 billion a year and would significantly increase the budget deficit. Reforming the estate tax so it applies to fewer people would cost half of that.

We are currently fighting an expensive war in Iraq and the government needs to spend approximately \$125 billion to help fix the damage from Hurricane Katrina.

Given these realities, do you think Congress should permanently repeal the federal estate tax, reform it so it applies to fewer people, or leave it as it is today with a \$4 million exemption?	All	Six States	Male	Female	Dem	Rep	Indy
Permanently repeal	22	23	29	16	15	32	21
Reform	26	26	23	29	31	23	24
Leave as it is with \$4 million exemption	<b>41</b>	41	37	44	46	37	39
Don't know	11	10	10	12	8	8	16

Alan Greenspan has said if we are going to cut taxes, they should be paid for. However, eliminating the estate tax would cost \$75 billion a year and there is no proposal of how this gap would be paid for.

Given this, do you think Congress should permanently repeal the federal estate tax, reform it so it applies to fewer people, or leave it as it is today?	All	Six States	Male	Female	Dem	Rep	Indy
Permanently repeal	23	24	30	17	13	35	23
Reform	24	24	24	25	27	18	27
Leave as it is today	<b>44</b>	47	40	47	52	40	40
Don't know	9	4	6	11	9	7	10

Repealing the estate tax would cost \$75 billion per year. Reforming it would cost half that and would exempt family estates up to \$7 million. Leaving it as it is today would exempt family estates up to \$4 million.

Given this, do you think Congress should permanently repeal the federal estate tax, reform it so it applies to fewer people, or leave it as it is today?	All	Six States	Male	Female	Dem	Rep	Indy
Permanently repeal	22	23	29	15	12	36	19
Reform	28	29	25	31	31	23	29
Leave as it is today	<b>44</b>	45	43	46	52	36	43
Don't know	6	4	3	9	5	4	9

*The table below shows the progression of how respondents' views changed as they were given more information on the estate tax. It is striking that before respondents are provided any information, the most popular position is to leave the estate tax as it is today. Furthermore, 57% say either leave the estate as it is or reform it, but do not repeal it.*

*As respondents are provided more information, the number of Americans who say leave the estate tax as it is today rises to over 40% and the number who say leave it as it is or reform it, but don't repeal it, rises to over 70%.*

### Summary of Views on Repeal/Reform

Do you think Congress should permanently repeal the federal estate tax, reform it so it applies to fewer people, or leave it as it is today?	Repeal/Reform+Leave	Permanently Repeal	Reform	Leave as it is today	Don't know
Baseline	23/57	23	24	<b>33</b>	20
Post Background Information	29/65	29	22	<b>43</b>	7
Iraq/Katrina	22/67	22	26	<b>41</b>	11
Greenspan	23/68	23	24	<b>44</b>	9
Cost of Repeal/Reform	22/72	22	28	<b>44</b>	6

## Tax Cut Priorities

***When read a list of possible changes to the tax system, repealing the estate tax or raising the exemption rank at the bottom of the list. They generate little enthusiasm but significant opposition.***

Do think it should be a high priority to do this, somewhat of a priority, or not a priority?	Priority/ Not	High Priority	Six States	Male	Female	Dem	Rep	Indy
Help people save more money tax-free for their retirement	92/6	72	94/5	91/8	93/5	91/7	93/7	92/5
Provide more tax deductions and credits for health care expenses	90/8	70	89/9	88/9	92/6	89/9	92/8	90/6
Keep the child tax credit at \$1000 per child, instead of going back to the old rate of \$500 per child, and make it available to more low-income families	88/10	68	85/13	86/13	91/8	91/7	88/12	86/11
Provide more tax deductions and credits for college tuition and higher education expenses	86/12	62	90/10	86/14	86/12	88/10	86/13	84/15
Keep the income tax rate for low-income families at 10% instead of letting it rise	83/15	63	90/10	79/20	87/10	81/16	88/12	81/16
Reduce the income tax rate on those making <u>less</u> than \$150,000	78/20	46	80/17	75/23	80/17	79/19	74/24	80/17
Eliminate the marriage penalty which causes some people to pay higher income taxes once they get married	77/21	51	71/26	78/22	76/20	74/24	88/10	71/25
Reduce the tax rate on capital gains and dividends from investments	60/34	23	59/34	60/34	61/34	58/38	65/31	58/34
<b>Raise the estate tax exemption from so that couples whose estates are worth between four and 7 million dollars would not have to pay the estate tax.</b>	<b>47/49</b>	26	49/47	52/45	43/54	41/57	54/42	46/49
Reduce the income tax rate on those making <u>more</u> than \$150,000	46/51	21	46/52	49/49	42/53	43/53	51/45	43/53
<b>Eliminate the estate tax so couples with wealth of over \$7 million will not have to pay it.</b>	<b>43/55</b>	24	39/59	45/53	39/58	34/64	53/46	41/56

**Asked in a different form, once again the estate tax rates near the bottom of a list of possible taxes to be cut.**

If the federal government were to reduce or even eliminate one tax, which of the following taxes do you think it would be best to cut or reduce?	All	Six States	Male	Female	Dem	Rep	Indy
Income tax for those making less than \$150,000 a year	28	28	27	30	32	23	30
Marriage Penalty Tax	16	20	16	16	18	14	17
Income tax for everyone	14	14	15	12	12	19	11
Capital gains tax	10	11	10	9	7	15	7
<b>Estate tax</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>11</b>	<b>7</b>
Social Security payroll tax	7	8	6	9	6	7	8
Stock dividend taxes	4	2	5	4	5	3	5
Don't know	12	10	13	12	13	9	15

### Budget Cutting Priorities

**When read a list of potential ways to reduce the budget, keeping the estate tax scores very highly, only behind raising income taxes on the wealthiest Americans. Keeping the estate is supported by a strong majority of Americans.**

Do you support or oppose doing this to help reduce the federal budget deficit?	Strongly Support	Support/ Oppose	Six States	Male	Female	Dem	Rep	Indy
Raise income taxes on those making more than \$400,000 a year	52	73/25	45	54	49	64	39	53
<b>Keep the federal estate tax on family estates of over \$4 million</b>	<b>42</b>	<b>62/34</b>	37	36	46	43	35	46
<b>Keep the federal estate tax on family estates of over \$7 million</b>	<b>35</b>	<b>55/40</b>	33	33	37	44	22	39
Raise income taxes on those making more than \$150,000 a year	35	61/37	36	31	38	43	20	38
Reduce farm subsidies	22	47/44	20	24	21	19	22	26
Reduce the homeland security budget	19	39/55	16	19	20	19	14	24
Cut Medicare funding	10	17/81	7	10	9	6	11	13
Raise income taxes 3% across the board	8	20/76	7	9	8	8	5	11
Reduce Social Security benefits	7	10/89	9	7	6	8	7	5
Reduce the education budget	6	16/83	10	7	6	8	6	5

## Estate Tax Tradeoffs

**Respondents were asked whether they would rather Congress repeal the estate tax or the use the funding for a series of different purposes. Every option beat the estate tax by a significant margin, with support for repeal never above 32%.**

Would you rather repeal the estate tax or... (Showing Option X/Repeal the Estate Tax)	All	Six States	Male	Female	Dem	Rep	Indy
Provide additional medical care to veterans	76/16	77/17	75/21	78/11	90/7	65/22	72/20
Expand the Medicare prescription drug benefit	73/21	67/22	69/24	76/17	83/10	61/31	73/21
Provide health insurance for uninsured Americans	72/20	75/16	67/26	78/14	82/15	55/33	76/15
Increase the federal education budget	68/26	68/26	68/30	67/22	81/11	52/43	69/24
Put the money in a rainy day fund to help America prepare for natural disasters and emergencies	67/24	70/23	65/28	70/21	80/15	54/38	67/20
Increase student loans and college aid	66/27	62/31	60/33	71/22	76/18	55/36	65/29
Help close the shortfall in Social Security	62/26	66/28	54/36	70/16	68/22	53/36	64/22
Increase support for farmers	56/32	54/38	49/40	62/24	69/21	48/35	52/37
Increase the homeland security budget	55/31	54/31	49/38	62/24	63/22	54/37	49/35

**76/16%** would rather provide additional medical care to veterans / repeal the estate tax. **8%** don't know.

Six States	Male	Female	Dem	Rep	Indy
77/17	75/21	78/11	90/7	65/22	72/20

**73/21%** would rather expand the Medicare prescription drug benefit / repeal the estate tax. **7%** don't know.

Six States	Male	Female	Dem	Rep	Indy
67/22	69/24	76/17	83/10	61/31	73/21

**72/20%** would rather provide health insurance for uninsured Americans / repeal the estate tax. **8%** don't know.

Six States	Male	Female	Dem	Rep	Indy
75/16	67/26	78/14	82/15	55/33	76/15

**68/26%** would rather increase the federal education budget / repeal the estate tax. **7%** don't know.

Six States	Male	Female	Dem	Rep	Indy
68/26	68/30	67/22	81/11	52/43	69/24

**67/24%** would rather put the money in a rainy day fund to help America prepare for natural disasters and emergencies / repeal the estate tax. **9%** don't know.

Six States	Male	Female	Dem	Rep	Indy
70/23	65/28	70/21	80/15	54/38	67/20

**66/27%** would rather increase student loans and collage aid / repeal the estate tax. **7%** don't know.

Six States	Male	Female	Dem	Rep	Indy
62/31	60/33	71/22	76/18	55/36	65/29

**62/26%** would rather help close the shortfall in Social Security / repeal the estate tax. **12%** don't know.

Six States	Male	Female	Dem	Rep	Indy
66/28	54/36	70/16	68/22	53/36	64/22

**56/32%** would rather increase support for farmers / repeal the estate tax. **12%** don't know.

Six States	Male	Female	Dem	Rep	Indy
54/38	49/40	62/24	69/21	48/35	52/37

**55/31%** would rather increase the homeland security budget / repeal the estate tax. **13%** don't know.

Six States	Male	Female	Dem	Rep	Indy
54/31	49/38	62/24	63/22	54/37	49/35