

TO: Interested Parties
FROM: Guy Molyneux and Geoff Garin
DATE: November 1, 2019
RE: The Millionaires Surtax

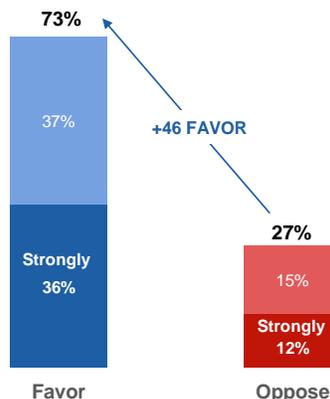
From October 1 to 6, 2019, Hart Research Associates conducted a national survey among 1,001 likely 2020 voters on behalf of Americans for Tax Fairness (ATF), Institute for Policy Studies (IPS), and Tax March. The survey identifies a potentially powerful progressive policy initiative: the Millionaires Surtax. This memo reports the survey's key findings and message implications.

This survey provides an in-depth look at an emerging tax issue: the Millionaires Surtax. The strong positive response—overall, and particularly among political independents and moderate voters—suggests the issue has tremendous potential to benefit candidates who support the surtax.

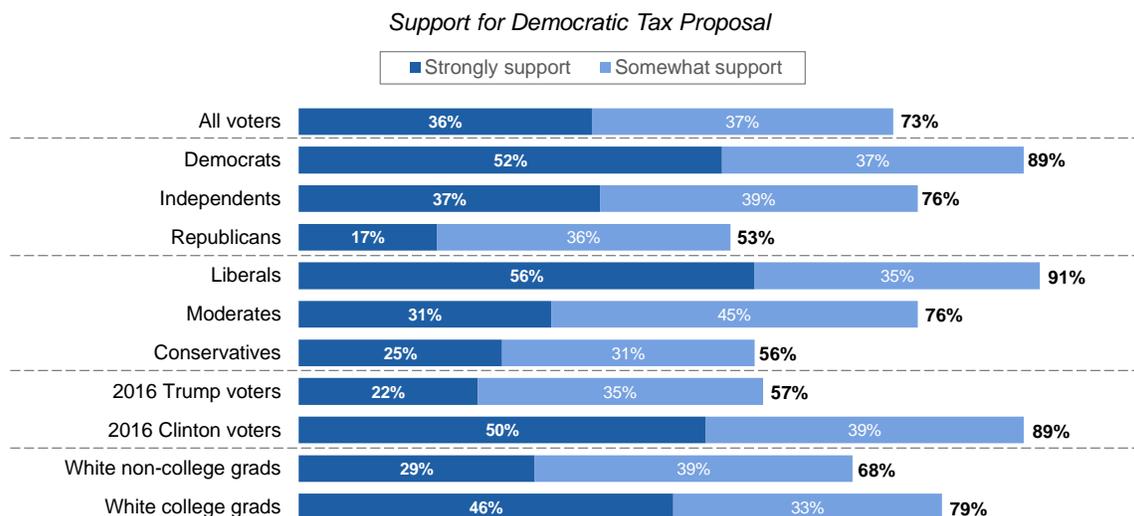
- Nearly three in four (73%) voters would support a proposal by Democrats to apply a 10% surtax on income above \$2 million for married couples or \$1 million for individuals, including 36% strongly in support. Just 27% object to the measure.
- The Millionaires Surtax has great appeal to key swing groups like independents (76% support) and moderates (76% support). Even a majority of Trump voters (57%) and Republicans (53%) favor the policy, despite its being identified explicitly as a *Democratic* proposal.

Overwhelming Support for Surtax on Incomes over \$2 Million

Reaction to a tax proposal by Democrats: the proposal would apply a new 10% surtax to incomes above \$2 million for married couples or above \$1 million for individuals, including capital gains income. This would mean increasing their top tax rate by 10 percentage points.



Broad Support for Millionaires Surtax



Pro-surtax candidates will enjoy a significant electoral advantage in 2020.

- By a massive 40-point margin, voters say they are more likely to vote for a candidate who supports the Millionaires Surtax (60% more likely, 20% less likely). Independents favor a pro-surtax candidate by 55% to 14% (+41), and moderates do so by an even larger margin of 59% to 15% (+44). Moreover, we find this electoral edge is 35 points or higher in every region of the country.

Voters rally behind the Millionaires Surtax not only because it makes the wealthy pay their fair share, but because it raises substantial revenue to meet the nation's needs.

- By four to one (64% to 15%), voters feel more favorably about the surtax when they learn that the surtax will increase federal revenue by more than \$600 billion over 10 years. Moderates (64%) and independents (59%) both respond quite positively to the substantial revenue delivered by the surtax.
- How should this new revenue be used? Voters' first choice, by a large margin, is protecting Social Security, Medicare, and Medicaid from cuts (70% high priority). Majorities also select making health insurance more affordable (55%) and rebuilding infrastructure (51%) as high priorities for investing this revenue.

Support for the Millionaires Surtax is deep as well as broad, and holds up under strong attacks from conservatives.

- The survey reveals that support for a surtax on millionaires is consistent and robust, even if applied to lower incomes. Six different surtax formulations were examined—varying the tax rate and income threshold—but the margin in favor of a pro-surtax candidate was never less than 44 points. For

example, 64% are more likely to vote for a candidate who favors raising the tax rate by 10 percentage points on incomes of more than \$1 million, while just 18% are less likely.

- After a substantial debate over the core Millionaires Surtax proposal, including exposure to *eight* different conservative attacks on the policy, support remains just as strong: 72% in favor and just 28% opposed. This includes support from 73% of independents, 76% of moderates, and 70% in small towns and rural areas. Even voters who approve of President Trump's job performance say they support this Democratic tax initiative (52%).