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Wealthy Not Paying Fair Share Top Complaint

Tax System Seen as Unfair, in Need of Overhaul

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Wealthy Not Paying Fair Share Top Complaint Tax System Seen as Unfair, in Need of Overhaul

Public dissatisfaction with the tax system has grown over the past decade, and the focus of the public's frustration is not how much they themselves pay, but rather the impression that wealthy people are not paying their fair share.

The number of Americans who feel they pay more than their fair share in federal taxes has dropped significantly over the past decade, from 55% in 2000 to 38% today. About half (52%) now say they pay the right amount in taxes. Yet at the same time, fewer see the overall tax system as even moderately fair (43%, down from 51% eight years ago), and roughly six-in-ten (59%) say that so much is wrong with the tax system that Congress should completely change it.

The latest national survey by the Pew Research Center for the People & the Press, conducted Dec 7-11, 2011 among 1,521 adults, finds that this sense of unfairness centers on the perception that wealthy Americans are not paying their fair share of taxes; 57% say this is what bothers them most about the tax system, while half as many (28%) point to the complexity of the system, and just 11% say that the high amount they have to pay is what bothers them the most.

Republicans and Democrats agree on the need for tax reform; majorities across party lines see the system as unfair and in need of a complete overhaul. Yet they differ substantially in their concerns, with Democrats overwhelmingly pointing to the share wealthy people pay as the biggest concern, while many Republicans identify the complexity of the system as the biggest problem.

Public Views of Federal Taxes

<i>Federal tax system is ...</i>	Mar 2003	Dec 2011	Change
Very/Moderately fair	51	43	-8
Not too/at all fair	48	55	+7
Don't know	<u>1</u>	<u>3</u>	
	100	100	
<i>You pay ... *</i>			
More than fair share	55	38	-17
Less than fair share	1	5	+4
About right amount	41	52	+11
Don't know	<u>3</u>	<u>5</u>	
	100	100	
<i>What bothers you most ...</i>			
Amount you pay	14	11	-3
Complexity of system	32	28	-4
Feel wealthy people don't pay fair share	51	57	+6
Don't know	<u>2</u>	<u>4</u>	
	100	100	
<i>Tax system ...</i>			
So much is wrong, Congress should completely change	52	59	+7
Works pretty well, Congress should make minor changes	44	34	-10
Don't know	<u>3</u>	<u>7</u>	
	100	100	

PEW RESEARCH CENTER Dec. 7-11, 2011.
Trend data from NPR/Kaiser/Harvard poll, except * from Feb. 2000 Pew Research Center. Figures may not add to 100% because of rounding.

Points of Partisan Agreement, Division

While Republicans and Democrats often take opposing positions on policy questions about taxes, they agree on several key evaluations of the performance of the tax system and the amount they themselves pay.

Across party lines, relatively few feel that they are required to pay more than their fair share in federal taxes. Instead, most Republicans (56%) and Democrats (53%) say that, considering what they get from the federal government, they pay about the right amount in taxes, and a slim plurality of independents agree (49%).

There is also no partisan divide in the need for an overhaul of the tax system, with majorities in all partisan groups saying there is so much wrong with the federal tax system that Congress should completely change it.

Where partisans diverge is over the question of what bothers them most about taxes. A broad majority of Democrats (73%) along with 57% of independents say the feeling that some wealthy people get away with not paying their fair share is their biggest complaint about taxes. By contrast, about as many Republicans say the complexity of the system is their biggest complaint (42%) as say wealthy people don't pay their fair share (38%). Very few Republicans, Democrats or independents cite the amount they themselves pay as their chief complaint about taxes.

Democrats and independents also differ somewhat from Republicans in views of the overall fairness of the system. Majorities of Democrats (58%) and independents (56%) say the tax system is not too or not at all fair. While 47% of Republicans say the system is unfair, about as many (51%) say it is very or moderately fair.

Democrats, Independents Say Wealthy Don't Pay Fair Share

<i>Federal tax system is ...</i>	Total %	Rep %	Dem %	Ind %
Very/Moderately fair	43	51	40	42
Not too/at all fair	55	47	58	56
Don't know	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>
	100	100	100	100
<i>You pay ...</i>				
More than fair share	38	37	38	40
Less than fair share	5	3	5	5
About right amount	52	56	53	49
Don't know	<u>5</u>	<u>4</u>	<u>4</u>	<u>6</u>
	100	100	100	100
<i>Overall, tax system</i>				
So much is wrong, Congress should completely change	59	60	55	63
Works pretty well, Congress should make minor changes	34	36	40	30
Don't know	<u>7</u>	<u>5</u>	<u>5</u>	<u>6</u>
	100	100	100	100
<i>Bothers you most</i>				
Amount you pay	11	15	9	9
Complexity of system	28	42	17	29
Feel wealthy people don't pay fair share	57	38	73	57
Don't know	<u>4</u>	<u>4</u>	<u>1</u>	<u>5</u>
	100	100	100	100

PEW RESEARCH CENTER Dec. 7-11, 2011. Figures may not add to 100% because of rounding.

Household Income and Views of Taxes

While federal taxes affect higher- and lower-income Americans in different ways, there is remarkable agreement on several fundamental questions about taxes across income groups. Comparable majorities at all income levels say that the federal tax system is not fair. And there is similar agreement that there is so much wrong with the tax system that Congress should completely change it.

Fewer than half in any income bracket complain that their own taxes are too high. Whether one's income is over \$75,000, less than \$30,000, or somewhere in between, half or more say they are paying about the right amount in taxes. And when asked what bothers them most about taxes, very few in any income group say the amount they themselves have to pay is their greatest concern.

But households of different incomes offer different complaints about the way the tax system is structured. Two-thirds (67%) of those in less-affluent households say what bothers them most about taxes is the feeling that some wealthy people don't pay their fair share. Most (58%) with incomes between \$30,000 and \$74,999 agree. This falls to just 44% of those earning \$75,000 or more annually.

Instead, those in higher-income households are more likely to point to the complexity of the tax system as their biggest complaint – 40% say this bothers them most, compared with just 18% of people with incomes under \$30,000.

Low- and Mid-Income Feel Wealthy Don't Pay Fair Share

	Total	\$75K+	\$30k-75k	<\$30k
Federal tax system is ...	%	%	%	%
Very/Moderately fair	43	44	44	42
Not too/at all fair	55	55	56	54
Don't know	<u>3</u>	<u>1</u>	<u>*</u>	<u>4</u>
	100	100	100	100
You pay ...				
More than fair share	38	43	38	35
Less than fair share	5	5	3	6
About right amount	52	50	57	50
Don't know	<u>5</u>	<u>1</u>	<u>2</u>	<u>9</u>
	100	100	100	100
Overall, tax system				
So much is wrong, Congress should completely change	59	66	60	54
Works pretty well, Congress should make minor changes	34	31	36	37
Don't know	<u>7</u>	<u>3</u>	<u>4</u>	<u>9</u>
	100	100	100	100
Bothers you most				
Amount you pay	11	14	9	10
Complexity of system	28	40	30	18
Feel wealthy people don't pay fair share	57	44	58	67
Don't know	<u>4</u>	<u>3</u>	<u>3</u>	<u>4</u>
	100	100	100	100

PEW RESEARCH CENTER Dec. 7-11, 2011. Figures may not add to 100% because of rounding.

Republicans Divided over Tax Concerns

When it comes to what bothers them most about the federal tax system, Republicans and Republican-leaning independents are split between those who cite the complexity of the tax system (43%) and those worry that wealthy people are not paying their fair share (38%). This overall division reflects substantial intra-party differences along socioeconomic and ideological lines.

By more than two-to-one, most Republicans with college degrees and those in

households earning more than \$75,000 a year say the complexity of the system is what bothers them most about taxes. By contrast, Republicans with no college experience and those in households earning less than \$30,000 a year are more likely to say the feeling that some wealthy people don't pay their fair share is what bothers them most.

Republicans who agree with the Tea Party movement are among the most likely to say the complexity of the tax system is what bothers them most – 57% say this. Among Republicans who do not agree with the Tea Party, 49% say the feeling that some wealthy people don't pay their fair share is their biggest complaint about taxes; just 33% cite the complexity of the tax system.

GOP Split Between Those Bothered by Fairness, Complexity

<i>What bothers you most ...</i>	Amount you pay	Complexity of system	Feeling wealthy don't pay fair share	DK
	%	%	%	%
All Rep/Rep-leaning	14	43	38	5=100
College grad+	15	55	26	5=100
Some college	14	48	36	2=100
HS or less	13	34	47	6=100
More than \$75,000	20	55	23	2=100
\$30k-\$74,999	11	47	36	6=100
Less than \$30,000	13	31	51	5=100
Conservative	15	47	32	6=100
Moderate/Liberal	13	37	46	3=100
<i>Tea Party ...</i>				
Agree	15	57	22	6=100
Disagree/No opinion	14	33	49	4=100

PEW RESEARCH CENTER Dec. 7-11, 2011. Based on Republicans and Republican leaning independents. Figures may not add to 100% because of rounding.

Fewer Feel Overtaxed

Over the past decade, there has been a dramatic decline in the percentage saying they pay more than their fair share in federal taxes. In February 2000, 55% said they paid more than their fair share, considering what they got from the federal government; 41% said they paid about the right amount and just 1% said they paid less than their fair share.

In the current survey, only 38% say they pay more than their fair share – a 17-point decline. Most now say they pay the right amount in taxes (52%), considering what they get from the federal government; very few continue to say they pay less than their fair share (5%).

Fewer Say They Pay More than Fair Share

Considering what you get from the federal government, do you think you pay more than your fair share of taxes, less than your fair share, or about the right amount?

	Feb 2000			Dec 2011			Change in % 'More'
	More	Less	About right	More	Less	About right	
	%	%	%	%	%	%	
Total	55	1	41	38	5	52	-17
Men	55	2	40	38	6	53	-17
Women	55	1	41	38	4	52	-17
18-29	54	1	44	36	3	52	-18
30-49	62	2	35	40	5	51	-22
50-64	60	2	36	41	5	51	-19
65+	36	1	55	31	4	59	-5
College grad+	56	2	40	37	5	57	-19
Some college	53	2	44	45	3	49	-8
HS or less	57	1	40	35	5	52	-22
\$75,000+	69	2	29	43	5	50	-26
\$30k-74,999	57	2	40	38	3	57	-19
<\$30,000	50	1	44	35	6	50	-15
Republican	58	1	39	37	3	56	-21
Democrat	53	2	42	38	5	53	-15
Independent	56	2	41	40	5	49	-16

PEW RESEARCH CENTER Dec. 7-11, 2011. Figures may not add to 100% because of rounding.

The decline in the percentage saying they pay more than their fair share in taxes has occurred across most demographic groups. Double-digit declines have taken place among Democrats and Republicans as well as among households of all income levels. But the drop has been particularly steep among higher-income households, narrowing what had been a wide income difference. In 2000, people with higher incomes (\$75,000 or more) were 19 points more likely than those with lower incomes (under \$30,000) to believe they paid more than their fair share in taxes (69% vs 50%). Today, that gap has narrowed to just eight points (43% vs. 35%), with half in each group saying they pay about the right amount in taxes.

About the Survey

The analysis in this report is based on telephone interviews conducted December 7-11, 2011 among a national sample of 1,521 adults, 18 years of age or older, living in all 50 U.S. states and the District of Columbia (914 respondents were interviewed on a landline telephone, and 607 were interviewed on a cell phone, including 284 who had no landline telephone). The survey was conducted by interviewers at Princeton Data Source under the direction of Princeton Survey Research Associates International. A combination of landline and cell phone random digit dial samples were used; both samples were provided by Survey Sampling International. Interviews were conducted in English and Spanish. Respondents in the landline sample were selected by randomly asking for the youngest adult male or female who is now at home. Interviews in the cell sample were conducted with the person who answered the phone, if that person was an adult 18 years of age or older. For detailed information about our survey methodology, see <http://people-press.org/methodology/>

The combined landline and cell phone sample are weighted using an iterative technique that matches gender, age, education, race, Hispanic origin, region, and population density to parameters from the March 2010 Census Bureau's Current Population Survey. The sample also is weighted to match current patterns of telephone status and relative usage of landline and cell phones (for those with both), based on extrapolations from the 2010 National Health Interview Survey. The weighting procedure also accounts for the fact that respondents with both landline and cell phones have a greater probability of being included in the combined sample and adjusts for household size within the landline sample. Sampling errors and statistical tests of significance take into account the effect of weighting. The following table shows the sample sizes and the error attributable to sampling that would be expected at the 95% level of confidence for different groups in the survey:

Group	Sample Size	Plus or minus ...
Total sample	1,521	3.5 percentage points
Republicans	380	6.5 percentage points
Democrats	489	5.5 percentage points
Independents	569	5.0 percentage points
<i>Family income</i>		
More than \$75,000+	410	6.0 percentage points
\$30,000-\$74,999	480	5.5 percentage points
Less than \$30,000	451	6.0 percentage points

Sample sizes and sampling errors for other subgroups are available upon request.

In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

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PEW RESEARCH CENTER FOR THE PEOPLE & THE PRESS
DECEMBER 2011 POLITICAL SURVEY
FINAL TOPLINE
December 7-11, 2011
N=1521

QUESTIONS 1-2, 12-13, 15, 18-19, PARTY, 25-36, 41-46 PREVIOUSLY RELEASED

NO QUESTIONS 3, 10-11, 14, 16-17, 20-24, 37-40, 47

QUESTIONS 4-9, 48 HELD FOR FUTURE RELEASE

Now thinking about taxes...

ASK ALL:

Q.49 How fair do you think our present federal tax system is? Overall would you say that our tax system is **[READ IN ORDER]**

	<u>Very fair</u>	Moderately <u>fair</u>	Not too <u>fair</u>	Not fair <u>at all</u>	(VOL.) <u>DK/Ref</u>
Dec 7-11, 2011	3	40	31	24	3
CNN: Apr 9-11, 2011	4	45	30	20	1
NPR/Kaiser/Harvard: March 2003	4	47	32	16	1
Time/CNN: March 1997	3	42	31	23	2
Time/CNN: May 1985	2	41	31	24	2

ASK ALL:

Q.50 Considering what you get from the federal government, do you think you pay more than your fair share of taxes, less than your fair share, or about the right amount?

TREND FOR COMPARISON:

NPR/Kaiser/Harvard

Dec 7-11 <u>2011</u>		Mar 11-21 <u>2010</u>	May <u>2000</u> ¹	Feb <u>2000</u>	Oct <u>1997</u>
38	More than fair share	43	55	55	52
5	Less than fair share	3	2	1	2
52	About the right amount	50	42	41	45
5	Don't know/Refused (VOL.)	3	1	3	1

ASK ALL:

Q.51 Which of the following statements comes closest to expressing your overall view of the federal tax system in this country **[READ]**

Dec 7-11 <u>2011</u>		<i>NPR/Kaiser/Harvard</i> March <u>2003</u>
34	On the whole, the federal tax system works pretty well and Congress should make only minor changes to make it work better	44
59	There is so much wrong with the federal tax system that Congress should completely change it	52
7	Don't know/Refused (VOL.)	3

¹ May 2000 survey by National Public Radio, Henry J. Kaiser Family Foundation, Harvard University's Kennedy School of Government. The question read, "Considering what you get from the FEDERAL government, do you think you pay more than your fair share of federal taxes, less than your fair share, or about your fair share?"

ASK ALL:Q.52 Which of the following bothers you most about taxes **[READ AND RANDOMIZE]**

Dec 7-11		<i>NPR/Kaiser/Harvard</i>
<u>2011</u>		March <u>2003</u>
11	The large amount you pay in taxes	14
28	The complexity of the tax system	32
57	The feeling that some wealthy people get away not paying their fair share	51
4	Don't know/Refused (VOL.)	2