

Program for Public Consultation

Consulting the People on Public Policy

Consulting Americans on the Payroll Tax Cut for Employees and Employers

December 13, 2011

Questionnaire

Dates of Survey: Dec 3-9, 2011
Sample Size: 565

Margin of Error: +/- 5.3 percentage points
MoE includes design effect of 1.6431

STATEMENT: As you know, the economy is not doing well. There are various proposals for helping to get the economy going, all of which are controversial.

We will be presenting a number of these proposals to you. Most deal with changes to taxes. Some proposals cut certain taxes, with some cutting taxes paid by workers, while other would cut taxes paid by employers. Other proposals are for increasing tax revenues.

We would like to know what you think about these proposals. In each case we will explain the proposal. You will then read and evaluate a number of arguments for and against the proposal and then finally express your view.

There is no right or wrong answer, so please answer the questions based on your knowledge or impressions. If you do not know the answer to a question, you can simply skip it and go on to the next question.

Here is a proposal for a tax cut for workers:

As you may know, all employees have a payroll tax deducted from their paycheck to fund Social Security. In 2011, employees are currently getting a payroll tax cut of two percentage points—from the regular 6.2% down to 4.2%, which amounts to about an additional \$1,000 over the year in the paychecks of the average household.

Currently there is a proposal being considered in Congress to continue this payroll tax cut until the end of 2012.

This proposal would reduce projected revenue by \$175 billion for the year.

According to the Congressional Budget Office, due to the added economic activity that results when consumers have more money to spend, this proposal would create 350,000 to 1,225,000 more jobs.

Here is an argument in favor of this idea

Q1. A payroll tax cut puts money in the pockets of people who are then spending it at businesses, large and small. That gives them more customers, increases demand, and it gives businesses a greater incentive to hire.

Very convincing.....	22%
Republicans.....	22
Democrats.....	28
Independents.....	12
Somewhat convincing.....	48
Republicans.....	47
Democrats.....	47
Independents.....	49
Somewhat unconvincing.....	18
Republicans.....	21
Democrats.....	13
Independents.....	22
Very unconvincing.....	11
Republicans.....	9
Democrats.....	11
Independents.....	14
Refused/Don't know.....	2

STATEMENT: Here is an argument against this idea.

Q2. Because so many people feel economically vulnerable right now, a payroll tax cut for employees is not going to create much economic activity. People will mostly pay debts or save the money.

Very convincing.....	21%
Republicans.....	20
Democrats.....	17
Independents.....	29
Somewhat convincing.....	44
Republicans.....	44
Democrats.....	43
Independents.....	47
Somewhat unconvincing.....	22
Republicans.....	23
Democrats.....	27
Independents.....	15
Very unconvincing.....	10
Republicans.....	11
Democrats.....	10
Independents.....	7

Refused/Don't know2

Q3. Now having considered arguments about the proposal, would you say that you favor or oppose temporarily reducing the payroll tax by half for employees?

Strongly favor	25%
Republicans.....	25
Democrats	30
Independents	15
 Somewhat favor	43
Republicans.....	40
Democrats	44
Independents	46
 Somewhat oppose	19
Republicans.....	22
Democrats	14
Independents	23
 Strongly oppose	11
Republicans.....	13
Democrats	10
Independents	11
 Refused/Don't know	2

Q4. A key question is how this tax cut will be funded. Here are three options. Please select which option is your first choice and which is your second choice.

Q4a. First Choice

Increase personal income tax on income over \$1 million a year.	56%
Republicans.....	37
Democrats	75
Independents	54
 Do not give Federal employees their cost of living adjustments for the next three years, and gradually reduce the Federal workforce by 10%	37
Republicans.....	60
Democrats	13
Independents	36
 Borrow the money, thus adding the deficit.....	3
Republicans.....	1
Democrats	6
Independents	2

Refused/Don't know4

Q4b. Second Choice

Increase personal income tax on income over \$1 million a year.	25%
Republicans.....	39
Democrats	10
Independents	26

Do not give Federal employees their cost of living adjustments for the next three years, and gradually reduce the Federal workforce by 10%	43
Republicans.....	32
Democrats	56
Independents	38

Borrow the money, thus adding the deficit.....	26
Republicans.....	20
Democrats	28
Independents	30

Refused/Don't know7

STATEMENT: Here is a proposal for a tax cut for employers:

Besides the payroll tax on employees that supports Social Security, employers also pay such a tax. Normally this amount is also 6.2% of the employee's salary.

One proposal would lower this payroll tax rate for employers by half, from 6.2% to 3.1%.

The reduction would apply to only the first \$5 million of their payroll--making the positive impact on small and medium-size businesses fairly large. The impact would be less for major corporations, which would still pay the full payroll tax on most of their payroll.

Lowering the payroll tax for employers would reduce tax revenue by \$65 billion.

The Congressional Budget Office estimates this plan would create 350,000 to 850,000 more jobs, due to lower costs for companies to hire employees.

Here is an argument in favor of this idea:

Q5. A payroll tax cut on the first \$5 million of payroll can increase jobs and promote economic recovery by lowering the cost of having an employee. It would mostly benefit smaller businesses that are most likely to hire new staff and are having trouble getting the necessary capital to hire new employees.

Very convincing.....	14%
Republicans.....	16
Democrats	13
Independents	11

Somewhat convincing.....	50
Republicans.....	50
Democrats.....	54
Independents.....	47
Somewhat unconvincing.....	22
Republicans.....	24
Democrats.....	20
Independents.....	23
Very unconvincing.....	12
Republicans.....	10
Democrats.....	12
Independents.....	15
Refused/Don't know.....	2

STATEMENT: Here is an argument against this idea.

Q6. This proposal is a bad idea because we cannot be sure employers will use the money saved to create jobs. And when it's time to return to the normal payroll tax rate, employers will probably have their lobbyists try to extend it, driving up the deficit and potentially undermining Social Security.

Very convincing.....	24%
Republicans.....	20
Democrats.....	28
Independents.....	27
Somewhat convincing.....	43
Republicans.....	43
Democrats.....	46
Independents.....	38
Somewhat unconvincing.....	22
Republicans.....	25
Democrats.....	19
Independents.....	23
Very unconvincing.....	8
Republicans.....	12
Democrats.....	5
Independents.....	7
Refused/Don't know.....	2

Q7. Now, having considered these arguments, do you favor or oppose temporarily reducing the payroll tax by half for employers on the first \$5 million of payroll?

Strongly favor.	10%
Republicans.....	15
Democrats.....	9
Independents.....	7
Somewhat favor.	41
Republicans.....	42
Democrats.....	43
Independents.....	36
Somewhat oppose.	29
Republicans.....	28
Democrats.....	29
Independents.....	30
Strongly oppose.	17
Republicans.....	15
Democrats.....	16
Independents.....	20
Refused/Don't know	3

DEMOGRAPHICS

Gender

Male	49%
Female.....	51

Age

18-29	21%
30-44	26
45-59	28
60+	25

Education

Less than high school.....	13%
High school	31
Some college.....	28
BA+.....	28

Race/Ethnicity

White, Non-Hispanic	68%
Black, Non-Hispanic.....	11
Other, Non-Hispanic.....	6
Hispanic	13
2+ Races, Non-Hispanic	1

Region (based on state of residence)

Northeast.....	19%
Midwest.....	22
South	37
West	23

D1. Generally speaking, do you think of yourself as a:

Republican	25%
Independent.....	21
Democrat.....	31
Other	3
No preference.....	18
Refused/Don't know	1

D1a. Do you think of yourself as closer to the:

Republican Party	11%*
Democratic Party	9
Neither.....	23
Refused/Don't know	1

D1-D1a. Overall party identification combined

Republican Party/Lean Republican.....	36%
Democratic Party/Lean Democrat.....	40
Independent.....	24

D2. How sympathetic are you to the Tea Party movement?

Very sympathetic	12%
Somewhat sympathetic	31
Somewhat unsympathetic	23
Very unsympathetic	29
Refused/Don't know	4

D2a. How sympathetic are you to the Occupy Wall Street movement?

Very sympathetic	10%
Somewhat sympathetic	29
Somewhat unsympathetic	22
Very unsympathetic	34
Refused/Don't know	5

D3. Please select how often you get news and opinion from the following sources.

D3a. Newspapers and news magazines (in print or online)

Almost every day	30%
About 2-3 times a week	14
About once a week.....	17
Rarely.....	21
Never.....	16
Refused/Don't know	2

* Percent of total

D3b. Public broadcasting (NPR or PBS)

Almost every day	12%
About 2-3 times a week	9
About once a week.....	12
Rarely	33
Never.....	32
Refused/Don't know.....	3

D3c. Network TV news broadcasts (For example: ABC, NBC, or CBS)

Almost every day	42%
About 2-3 times a week	15
About once a week.....	14
Rarely	17
Never.....	10
Refused/Don't know.....	2

D3d. CNN

Almost every day	12%
About 2-3 times a week	13
About once a week.....	14
Rarely	30
Never.....	28
Refused/Don't know.....	3

D3e. Fox News

Almost every day	18%
About 2-3 times a week	14
About once a week.....	14
Rarely	23
Never.....	28
Refused/Don't know.....	3

D3f. MSNBC

Almost every day	10%
About 2-3 times a week	8
About once a week.....	13
Rarely	30
Never.....	35
Refused/Don't know.....	3