CTJ Citizens for Tax Justice

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Anti-Tax Sentiment Is Even Weaker than the Polls Suggest

Some Gallup Poll Respondents Saying Income Taxes Are Too High Will Pay No Income Taxes for 2008!

A recent Gallup poll found that 61 percent of respondents felt that the federal income tax they will have to pay this year is "fair." When asked about the specific amount of federal income taxes they pay, just over half felt they pay the right amount or too little. Forty-eight percent of respondents thought that the amount of federal income tax they pay is "about right." That's the highest percentage of people who responded that way since 1956. (Another three percent thought they the paid too little.)

Fewer than half of those polled, 46 percent, said they thought their federal income taxes are "too high."¹ It appears, however, that some of these respondents are basing their answers on the right-wing, anti-tax propaganda they've heard rather than their own income tax liability.

In particular, 39 percent of respondents with incomes below \$30,000 said that they thought the federal income taxes they pay are "too high." This is remarkable, because only 32 percent of taxpayers in this income group will pay any federal income tax at all on their 2008 income.

Income Group	Percent with Positive Income		
	Tax Liability in 2008		
Under \$30,000	32%		
\$30,000 to \$74,999	87%		
\$75,000 and Over	98%		

Income Group	Percent Saying Fed Income Taxes Paid Are:		
	Too High	About Right	Too Low
Under \$30,000	39%	51%	6%
\$30,000 to \$74,999	45%	52%	1%
\$75,000 and Over	53%	44%	3%

Source: ITEP Tax Model, April 2009

Source: Gallup Poll, April 13, 2009

Taxpayers with adjusted gross incomes below \$30,000 represent almost half (46 percent) of the total number of taxpayers for tax year 2008. With a small amount of public education about the (admittedly complicated) tax system, displeasure with the federal income tax among this part of the population could drop significantly.

Of course, the federal income tax is not the only tax. There are plenty of other federal taxes, not to mention state and local taxes, that have a much greater impact on individuals and families making less than \$30,000. Virtually everyone who works pays federal payroll taxes,

¹Jeffrey M Jones, "Views of Income Taxes Among Most Positive Since 1956," Gallup, April 13, 2009. <u>http://www.gallup.com/poll/117433/Views-Income-Taxes-Among-Positive-1956.aspx</u>

and federal excise taxes (like gasoline tax) affect almost everyone, too. State and local taxes tend to hit low- and middle-income families more than upper-income families.

The federal income tax — the tax that some people have to pay by April 15 — is progressive enough to offset some of the regressive effects of these other taxes. The end result is a tax system that is not tremendously progressive, but fairly flat.²

There are many, many ways that we could improve America's tax system, including the federal income tax. The right place to start is to acknowledge that the federal income tax does not pose a crushing burden for working-class families, as many anti-tax activists would have us believe.

²A recent CTJ report finds that the share of total taxes (all federal, state and local taxes) paid by taxpayers in each income group is very similar to the share of total income received by each income group, suggesting that low- and middle-income families generally are paying their fair share and that the rich are not over-taxed. Citizens for Tax Justice, "Is 'Tax Day' Too Burdensome for the Rich? The U.S. Tax System Is Not as Progressive as You Think," April 13, 2009. <u>http://www.ctj.org/pdf/taxday2009.pdf</u>