



LUNTZ GLOBAL

MEMORANDUM

To: Interested Parties
From: Frank Luntz and Luntz Global Partners
Re: American Voter Attitudes on Estate, Gift, and Generation-skipping Taxes
Date: January 30, 2017

Clarity is scarce, and at a premium, in Washington today. Complicated, complex, and contentious issues abound. Healthcare, immigration, foreign relations. The list goes on. Pick one. The common denominator is always that there seem to be more questions than answers.

So we offer the policymakers who will read this document a some certainty in this fluid political environment: on the issue of the Estate Tax, the American people clearly and compellingly support a full and final repeal.

Luntz Global Partners and the Policy and Taxation Group conducted a post-election, nationwide survey of 1,000 voters gauging their attitudes, priorities, and concerns about tax policy. There is one specific tax reform policy that aligns you with most voters to deliver a healthier economy, protect small business owners and their savings, and make the tax code simpler and fairer.

The American people have already decided they want the Estate Tax put to death. Now it falls on their leaders to hear the message and take action.

Below are the key findings from our research.

KEY FINDINGS

- 1) The American support repealing the Estate Tax. Once and for all. No more half measures.** Over half of all voters – 52% – support eliminating the estate tax entirely when asked directly if the tax should be kept or eliminated. Only 30% oppose elimination, with the remaining 18% neutral or undecided. By party, it's an overwhelming winner with GOP voters at 72%. That's intuitive, but what policymakers need to note is that *swing* voters support it 51% to 32% (18% neutral/undecided), and even Democrats have a net +6 approval of outright repeal at 44% to 38%.
- 2) It's about more than Estate Tax. The American people want you to work on the Gift Tax, too.** They view both issues as two sides of the same coin. Nearly half, 47%, support *reducing* or *amending* the Gift Tax, even if it means less government revenue is collected.

But, once they're given specific reform options, repeal (35%) is the most popular choice, while leaving it as it is today (15%) is deeply unpopular.



3) The 80% Generation-Skipping Tax continues the trend. By nearly identical numbers, nearly half of Americans support repealing the Generation-Skipping tax entirely, while fewer than 1 in 5 support keeping it intact. Their reason? Americans do not want to see Washington eliminate the estate tax in name only, while collecting the revenue by other means like the Gift and Generation-Skipping taxes.

4) This is a winning issue. Americans see the inherent problem with treating death as an opportunity to tax grieving families.

Three-quarters of Americans – including 63% of Democrats, 78% of independents, and 83% of Republicans – agreed,

“As a matter of principle, death should not be a taxable event. It is wrong for Washington to take hard earned money that has already been taxed and tax it yet again at death.”

The combination of a double-taxation and treating death as an opportunity to collect more government revenue is a position few, if any, Americans will choose to support. Repeal is simpler. Repeal is fairer. Repeal of the Estate Tax is the right thing to do.

5) What they want LEAST: keeping the Estate Tax at the current rate and policy. We gave America three policy options: “**eliminate the estate tax entirely**” (38% of All Voters chose this, along with 24% of Democrats, 36% of Swing Voters, and 57% of Republicans), “**reduce it to 20%**” (39% of All voters chose this, 41% of Democrats, 41% of Swing Voters, and 31% of Republicans), and “**keep it at 40%**” (just 23% of all voters, 35% of Democrats, 23% of swing voters, and 13% of Republicans).

To synthesize that data: fully 77% of Americans support a reduction or repeal of the Estate Tax, fewer than one in four (23%) support current law.

The bottom line for leaders in Washington: if you want to show the American people you’re not just hearing them, but taking action for them, repealing the Estate Tax is the right place to put action behind your words.