



**To: S-Corporation Association**  
**From: The Winston Group**  
**Date: November 17, 2021**  
**Re: Key Findings from National Survey**

This is a brief summary of recent research for the S Corporation Association of America on the electorate's reaction to many of the proposed tax changes under the Build Back Better plan. The research consisted of a national survey of 1,000 registered voters conducted November 10-12.

- 1.) The electorate's negative outlook on the direction of the economy (35-52 right direction-wrong track) is now aligned the overall direction of the country (36-53). Independents remain more negative than the overall electorate on both the direction of the country (21-61) and the direction of the economy (23-61).
- 2.) President Biden's overall job approval has declined over time but remains better (45-47 approve-disapprove) than his economic job approval (41-51). Among independents, however, his overall (28-59) and economic job approval (25-60) are remarkably poor.
- 3.) Reflecting the electorate's disapproval of his handling of the economy, the electorate believes his economic policies are incorrect (38-46 correct-incorrect). Independents believe this even more strongly (23-51).
- 4.) Voters split 43-40 as to whether they favor or oppose the Build Back Better plan, with independents being opposed (30-44 favor-oppose). There is significant concern about the impact of the Build Back Better plan on prices and inflation.
  - They believe that *the spending and tax increases in President Biden's Build Back Better plan would increase consumer goods prices for my family* (61-23 believe-do not believe).
  - Overall, voters are more likely to say the plan will have a negative impact on themselves and their families (44%), compared to 27% saying the impact will be positive and 18% saying there will be no impact. Among independents, nearly one out of two (49%) says this impact will be negative (15% positive; 20% no impact).
- 5.) There is a general belief that *corporations and wealthy individuals are not paying their fair share of taxes* (64-25 believe-do not believe). Yet there is also the belief that *the last thing we need to do right now is raise taxes on businesses and individuals* (59-30). As to whether the federal government generally rewards or punishes success, the electorate splits 38-38, with independents more likely to see it as punishing (32-42).
- 6.) There is some openness to the idea of surtaxes on income exceeding \$10 million (52-32), with this receiving the most support from Democrats (79-8) rather than independents (44-34) or Republicans (29-56).

*President Biden's Build Back Better plan would impose a new 8% surtax on a taxpayer's income exceeding \$25 million and a 5% surtax on income exceeding \$10 million. Do you favor or oppose this proposal? 52-32 favor-oppose.*

However, when people are told that the surtax proposal would apply to individually and family-owned businesses making \$200,000 or more, voters oppose this proposal 38-45, compared to 52-32 in the

initial description. Among independents, support for the surtax proposal flips to opposition going from 44-34 to 29-49.

7.) Voters were only marginally open to expanding the 3.8% Net Investment Income Tax to apply to business income exceeding \$500,000 for active business owners (42-38 favor-oppose). Independents were opposed (32-45).

- On hearing the 3.8% tax would apply to individually or family-owned businesses held in trust when their income exceeds \$13,000, not \$500,000, support dropped (28-53 favor-oppose). Independents were even more strongly opposed in this case (15-61).

8.) Half of voters overall opposed the proposal to increase the top tax rate paid by individually and family-owned businesses by 12%, to the point that some of these businesses would be paying tax rates exceeding 50% (29-50 favor-oppose). Among independents, 57% were opposed (19-57).

9.) When contrasted against the concept that the Build Back Better plan that would raise tax rates on some individually and family-owned businesses to over 50% and it would leave the tax rate applied to public corporations unchanged at 21% opposition increased to a 2:1 margin (26-54 favor-oppose). This opposition also increased among Independents to 16-62.

10.) On the proposal to tax unrealized gains, 60% of the country opposes the proposal while only 24% favors. Among independents, two-thirds (67%) oppose this proposal, with only 14% in favor.

*Congress is considering taxing the increased value of an individual's assets each year, even if they don't sell those assets and realize the income. This tax would apply to family businesses, stocks, and other personal assets, and it would be in addition to the other federal taxes they owe. Do you favor or oppose this change in the tax code? 24-60 favor-oppose*

11.) Reflecting the concern over the fragile economic environment for businesses, voters tend to believe that individually and family-owned businesses still recovering from COVID shutdowns should be allowed to fully deduct their losses (48%) rather than limiting losses they can deduct to \$500,000 (30%).

12.) By a 2:1 margin, voters overall believed that the Build Back Better plan's tax increases would subject individually and family-owned businesses to the highest marginal tax rates of all our trading partner countries (50-25 believe-do not believe).

13.) Over half the country (52%) believes a tax increase would increase inflation, rather than decrease (11%) or have no impact (19%). Among independents, 55% believe it will increase inflation (7% decrease, 17% no impact).

14.) In terms of what is the more important priority for the country, voters overwhelmingly (68%) said that *dealing with inflation and scarcity of goods caused by supply chain problems* was more important than passing the Build Back Better plan (21%). Among independents, this was even more decisive as they said dealing with inflation should be the priority (72%), with only 12% saying it should be passing the Build Back Better plan.