

**AMERICANS THINK THE TAX CUTS WERE TOO LARGE AND
ARE THE WRONG APPROACH FOR THE ECONOMY**

March 31, 2004

More than half of Americans believe that the recent federal tax cuts were too large and should be repealed for people with incomes above \$200,000 per year. By 55% to 39%, Americans polled during the first week of March believe that the recent federal tax cuts were too large and should be repealed for people with incomes above \$200,000 per year to help pay for health care and education, rather than that the recent federal tax cuts were the right size and should be kept and made permanent for all Americans to make the economy strong.¹

Public support for making the tax cuts passed in 2001 permanent has dropped. Only 39% of Americans polled during the second week of March support making the tax cuts permanent, while 44% support allowing the tax cuts to expire,² down from 50% and 41%, respectively, of Americans polled during the third week in January.³ Asked further in the March poll about making the tax cuts permanent if making them permanent contributed to an increase in the budget deficit in the future, support for making the tax cuts permanent decreased to 18% of Americans polled and opposition to making the tax cuts permanent rose to 61% of Americans polled.⁴

A majority of Americans believe that the tax cuts passed since 2001 and that have taken effect so far have been at best ineffective and at worst harmful to the economy. Consistent with polls conducted since the first of the year,⁵ 59% of Americans polled during the first week of March think that the tax cuts have had either no real effect on the economy (36%) or have hurt the economy (23%). Only 38% believe that the tax cuts have helped the economy.⁶

Given a choice, the majority of Americans prioritize other needs over tax cuts. By 61% to 36%, Americans polled during the third week of March prefer balancing the budget to tax cuts.⁷ By 60% to 21%, Americans polled during the second week of January prefer to try to reduce the federal budget deficit by canceling some recent tax cuts, as compared to spending less money on domestic programs like health and education.⁸

¹ NBC News/*Wall Street Journal* poll conducted March 6-8, 2004.

² *The New York Times*/CBS News Poll conducted March 10-14, 2004.

³ CBS News poll conducted January 20, 2004, results as reproduced in *The New York Times*/CBS News Poll conducted March 10-14, 2004.

⁴ *The New York Times*/CBS News Poll conducted March 10-14, 2004.

⁵ *The New York Times*/CBS News poll conducted January 12-15, 2004 found that 68% of Americans believed that the tax cuts enacted since 2001 have not made much difference (51%) or were bad for the economy (17%). Only 27% believed that the tax cuts were good for the economy. The CNN/*USA Today*/Gallup poll conducted January 2-5, 2004 found that 55% of Americans believed that the tax cuts passed by Congress and signed into law by President Bush have had no effect (35%) or mostly hurt (20%). Only 41% believed that the tax cuts have mostly helped.

⁶ NBC News/*Wall Street Journal* poll conducted March 6-8, 2004.

⁷ The Associated Press poll conducted by Ipsos-Public Affairs March 19-21, 2004 found that 61% of Americans would prefer balancing the budget to cutting taxes (36%) and that Americans would prefer spending more on education, health care and economic development to balancing the budget by a roughly equal margin (62% to 36%).

⁸ NBC News/*Wall Street Journal* poll conducted January 10-12, 2004.