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Sidebar

Do Americans think estate tax repeal is a good idea?

Earlier this spring, Diane Freda announced the results of a new poll on the federal estate tax in BNA's Daily Tax Report. If the poll can be trusted, the results are very interesting - especially for those of us who make our living planning for and around the federal estate tax. It seems that 57 percent of Americans favor a permanent solution to the estate tax rather than complete repeal.

The poll

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In February, a group called the Coalition for America's Priorities and Responsible Wealth hired Penn, Schoen & Berland Associates to conduct a poll on the estate tax. The results of the poll (and the poll itself) are published on the Coalition's website at

<http://www.coalition4americaspriorities.com>.

According to the website, the poll was comprised of 910 telephone interviews of registered voters: 603 from all over the country and 307 from Arizona, Arkansas, Maine, Montana, Ohio and Oregon.

The results of the poll show that the more information voters learned about the estate tax, the more they seemed to oppose repeal.

The first question asked respondents whether to leave the estate tax as is, reform it or repeal it. The response: 33 percent said to leave the tax as is, 24 percent said we should reform it, 23 percent preferred total repeal and 20 percent said they didn't know what to do.

These numbers indicate that even before the pollsters started providing respondents with information regarding the estate tax (in the form of four explanatory paragraphs), 57 percent of those polled preferred leaving the estate tax as is or reforming it, while only 23 percent favored

outright repeal.

The pollsters then provided the following information: (1) there is a \$4 million exemption for a married couple and less than 1 percent of Americans are impacted by the estate tax; (2) budget experts suggest repeal will cost \$75 billion, at a time we are fighting a costly war in Iraq and it will cost an estimated \$125 billion to rebuild after Hurricane Katrina; (3) Alan Greenspan says if we cut taxes we should also have a plan in place to pay for those cuts; and (4) a reform might exempt family estates (i.e. businesses and farms) up to \$7 million.

After hearing this information, the poll results changed. Forty-four percent said we should leave the estate tax as is, 28 percent voted for its reform, 22 percent still preferred outright repeal and 6 percent said they did not know what to do. The responses in favor of keeping the estate tax thus rose from 57 percent to 72 percent, while the percent favoring outright repeal remained essentially unchanged. When the respondents heard some additional information, it appears those who did not know what to do switched their votes overwhelmingly toward keeping the estate tax as is or modifying it.

Who conducted it?

According to their website, the Coalition is an independent 501(c)(4) corporation comprised of members from the business, non-profit and educational communities. Its mission is to retain (or to offer a responsible reform of) the estate tax.

The Coalition notes its key objectives are to correct "myths" about the estate tax, run an educational campaign for the general public and seek responsible reform of the estate tax while retaining its revenue for other national priorities.

Given the Coalition's goals and objectives, the poll and its results should be looked at critically.

The progression of voting (those saying they "didn't know" moving toward support for the estate tax) should not be too surprising given the Coalition's purpose and the tone of the information presented to respondents.

However, it is nevertheless interesting to note the results of the very first question. Only 23 percent of those polled voted for outright repeal - *before* receiving any additional, arguably slanted information.

If the poll can be trusted, this is interesting information. With Sen. Bill Frist, R-Tenn., vowing to pursue estate tax reform in the Senate, and with so much being written in the general media, which seemingly supports outright repeal of the estate tax (the so-called "death tax"), the responses to the initial question of the poll are significant. It is even more significant that after being "educated" on the estate tax, undecided respondents overwhelmingly supported its retention.

If so many Americans are opposed to total repeal even before being exposed to the Coalition's "facts," then who is clamoring for its repeal? Whose interests are really being protected?

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